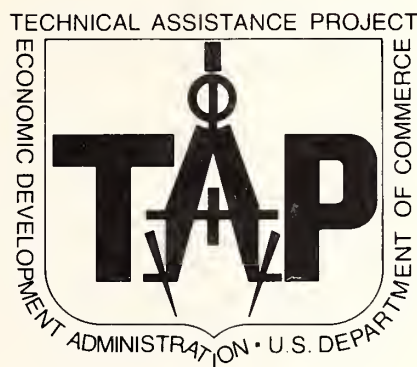


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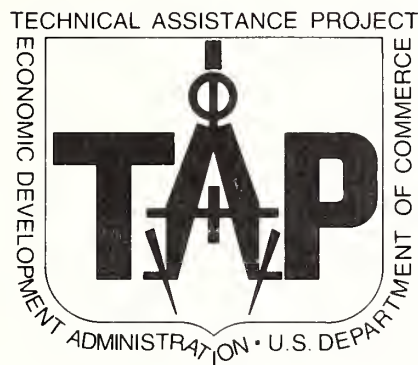
INDUSTRY INNOVATION AND THE MUNICIPAL MARKET: PHASE II
THE PROFESSIONALIZATION OF PURCHASING



E.M. Rowland, Principal Investigator
and
John F. Blair, Manager, Economics and Social Sciences Laboratory

"This technical assistance study was accomplished by professional consultants under a grant from the Economic Development Administration. The statements, findings, conclusions, recommendations, and other data in this report are solely those of the grantee and do not necessarily reflect the views of the Economic Development Administration."

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FOREWORD AND ACKNOWLEDGEMENTS

This document is the final report on work done under the auspices of The Economic Development Administration's Grant No. 99-6-09281-1.

The principal concern of this report is the professionalization of purchasing. This activity has had and will continue to have an important impact on the eighty thousand (80,000) local government jurisdictions in the United States, their business communities, and the citizens they serve.

If this report is able to make any positive contribution to the art and science of professional purchasing it will be because of the legion of contributors standing behind its pages. The author gratefully acknowledges the contributions of the following groups and individuals:

Fellow research professionals from the Franklin Institute Research Laboratories: Dr. Robert S. Powell, Department Director, John F. Blair, Jr., Laboratory Manager, Frederick Dixon, Samuel R. Enion and Warren Suss, and the Report Services Staff of the Institute for their effective internal support of this project.

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William B. Whitson, Purchasing Agent, Nashville-Davidson Co., Tenn.

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1. INTRODUCTION

This is a report of the work conducted by the Franklin Institute under Phase II of the Economic Development Administration's Grant No. 99-6-09281.

A Summary of the Prior Work

Under its initial grant from the Economic Development Administration the Franklin Institute reviewed the role of technological innovation in support of local government activities. The focus of that work was on the potential for stimulating technological advancement in items purchased under the operating budget, i.e., on frequently purchased items. The initial premise was that there were significant gaps in the technology available to local governments and that obstacles could be identified and mechanisms found whose removal and development, respectively, would bring a wider range of technology into the local government market.

The conclusions of that study were that although the local government market is relatively small and disaggregated, there is both room and a need for technological innovation and that this latter can be achieved. The types of innovation that the market requires are, in most instances the types which are most prevalent in the manufacturing sector of the economy: product improvement, low level technological transfer and new product development, in descending order of importance. Regardless of the size of the market and its relative disaggregation technological innovation as previously described, should certainly be possible. The fact that the structure of the local government market is not without precedent in other areas of the economy re-enforces this point and a brief glance at the market itself shows that these are precisely the courses that technological innovation is following.

Continuous with these observations, the economic development potential in the municipal market and its identified development needs is of the type that encourages the broadening of product lines by established firms and the formation of new small enterprises. Based on analyses of operating budget expenditures of municipal governments there is no indication of unmet demands for large new technological advances having significant economic impact.

To increase the effectiveness of the public sector - as a stimulus for technological advance, as a basis for economic development and, perhaps most of all, for its own well-being - the Institute recommended in the initial study that:

1. *Attention should be given to increasing the technological sensitivity of local governments.* Although local governments will remain labor intensive and probably achieve no

large or continuous gains in productivity through the application of technology - and thus would benefit* considerably less than an industry from a comparable investment in technological innovation - they nonetheless do achieve some benefits from technology. Thus they should be encouraged to at least consider the possibility of technological solutions where applicable and at a minimum should be sensitive enough to the flow and potential of technology to be purchasing state-of-the-art equipment.

2. *New product experimentation aimed at the local government market should be supported and encouraged.* Since the local government market is a low grade and unattractive market to most industries, particularly those engaged in any sort of sizeable and continuing R&D ventures, products designed primarily for local government use will find their way into the market at a slower rate than those aimed at more attractive markets.
3. *Local governments should receive support in assessing their own technological needs.* Most local governments require such service on an infrequent basis, and when they do, they receive it from potential vendors. While this is frequently excellent free consulting - when given - it is hardly free of bias. In addition this arrangement sometimes encourages the purchase of a technological solution when a less costly administrative or legislative solution would suffice.
4. *Specific attention should be given to the enhancement of the "image" of the municipal market.* From an industrial viewpoint the local government market is a rather arbitrary administrative tangle complicated by a rigid low-bid criterion. The bridge between this market and industry, and thus the crucial point for beginning work designed to enhance the attractiveness of the local government market, is the purchasing official.

The Scope of the Current Study

Work conducted under the second grant and described in this document, expanded and built upon the first year's effort in that it explored a program - the strengthening and professionalization of the procurement function at the local level - directed at recommendation (4) above. Development occurred in the sense that the second phase complemented the initial review of operating budget expenditures with a brief review of capital budget expenditures. The results of this further work are covered in the following sections of this report.

* Considering the operating budget context "benefit" is defined as a cost-saving or deferral, possibly conjoined with an improvement in the quality and quantity of the service under consideration.

This study was composed of four major tasks

1. The first task involved the validation of both the work accomplished under the initial grant and the recommended directions for local or regional development based thereon. This task was accomplished in two stages: a series of discussions with purchasing personnel in large urban areas, other than Philadelphia, and a broad survey of purchasing personnel using a structured questionnaire (See Appendix A for latter).

2. The second task involved the formulation and exploration of a series of service needs questions including:

- o What types of technical assistance do purchasing officials need to pursue the "purchase of technological innovation"?
- o What forms should such assistance take?
- o Who should provide such assistance?
- o What is the economic development potential inherent in the provision of such assistance?

This task is an extension of the original work and as such extended the study to the area of capital budget purchasing. The task was accomplished through a two stage process similar to that described in (1) above. Appendix B contains the questionnaire and a summary of the results. The discussion of the results from these first two tasks form the latter portion of Section 2 of this report.

3. The third task was directed at assessing the growth potential of the groups now concerned with representing the purchasing community, particularly the National Institute for Governmental Purchasing (NIGP) the broadest of these groups (but not the largest) and the only one to have substantial local government representation.

Using the NIGP as a focus, this task reviewed the problem of strengthening the purchasing profession and better defining its role by investigating the nature of the existing organizations; how they might and should relate to each other; and how the purchasing profession and its organizations (particularly the NIGP) might best relate to the external world (i.e., private industry, trade associations, the International City Managers Association, the federal government, etc.). This work is treated in detail in the first part of Section 2 of this report.

This task was accomplished through a lengthy series of individual discussions and the preparation of papers for group* comment and critique. This was essentially a DELPHI study. A seminar series was originally proposed for completing this task, but the need for repeated contact made the travel time of the participants an insuperable barrier to this approach.

4. The final task undertook the study of the question of determining a clear and unambiguous role for the federal government in stimulating

* Members of the NIGP Board, University personnel and other association and trade association personnel.

the "purchase of innovation" in the municipal market. Using the prior work as a basis, this task formed a part of all the work done in the preceding tasks and relied particularly heavily on the in-depth discussions with individual purchasing professionals.

The results, which show that the Federal government should be a facilitator rather than a direct participant and that the key to the wide-spread acceptance of the "purchase of innovation" resides with the purchasing professionals are in evidence throughout the work of both the current and prior studies. The recommended actions based on these results form Section 3 of this document.

In concluding this synopsis of the current study, note should be made of the fact that the basic reference point throughout the study is the NIGP and its role, since the question of the organized growth or decline of the local government purchasing community is at this time synonymous with the future of the NIGP. In the execution of the study, the Franklin Institute worked as closely as possible with the NIGP, in the hope that the work accomplished under the grant would directly contribute to an expanded role for the NIGP. In keeping with this intention, the final report will be distributed directly to NIGP officers and administrative personnel.

2. THE PROFESSIONALIZATION OF PURCHASING: PROBLEMS AND POTENTIAL

The procedure for acquiring goods and services is called by many names; e.g., purchasing, procurement, material management, contract management and systems acquisition. In a professional context the basic ethics, disciplines, and techniques of these variations or "specialties" are very similar. In order to avoid confusion it was necessary to select one term to represent the entire field. The term purchasing was selected because, historically, it was the first term used that had any professional connotations and acceptance.

If professionalism is the goal, what does professionalism mean?

Any preliminary study that attempts to approach the definition of the term professional and the nature of professionalism through the analysis of existing organizations and their members, is presented with a kaleidoscopic array of standards, objectives, structures, policies and activities. Presumably some sense could be made out of information of this sort but such an approach is both problematical and was beyond the resources available for the project.

Instead, based on a series of discussion with trade and professional association personnel and a review of the literature associated with professional associations and professionalization, the following general observations were sketched out.

1. Probably the most significant factor - in that it is the initial one - in the designation of a given organization as a professional one is the attitude and public posture of the organization itself.
2. As a result of this organizational assumption of professionalism, there has emerged a vast number of dissimilar groups, group activities and objectives that are now associated with the term "professional".
3. The conduct of activities traditionally considered professional, such as education, training programs and the certification of individuals, by a large number of dissimilar organization, some of which do not claim to represent "professionals", adds to the difficulty of definition.

4. The range and number of dissimilarities among existing groups make the strict definition and description of "professional" quite difficult and perhaps not even worth pursuing.
5. A practical approach to this problem would be two-fold. First, the concept of professionalism should be put in a sociological framework rather than a functional one, with the degree of acceptance and recognition of a group's activities by society as the controlling consideration. Second, there should be a comparison of the activities conducted by the purchasing organizations with those conducted by the most widely accepted and recognized professional organizations. This latter provides a relative check for congruence.
6. The results of this approach can reasonably be expected to be a limited range of social impacts and an overall assessment of activities. These data can be employed to define and bound the term professional and categorize groups, including purchasing, which fall within the definition.

Thus despite the self-assessment of any given group of practitioners, a profession does not exist if the society in which it must function does not assign a high value to the activities of the group, and subsequently, give acceptance, recognition and even deference to the group and the individuals involved.

Summarizing these points, professionalization and organizations devoted to developing professionalization are essentially concerned with the "improvement and enhancement" of the occupational group in question; a point, that while basic, is hardly surprising, and one on which almost all such groups concur. The diversity begins when specific answers to the questions of "how to improve/enhance" are adopted.

In the case of purchasing officials these observations mean that the achievement of professionalization is contingent upon the organized expression of the fact of professionalism; the development of a coherent operational definition (i.e., programs, activities, society memberships, certifications, services, etc.) of the nature of purchasing professionalism that is in accord with those of accepted organizations; and the gaining of "public acceptance" for the preceding. While these points are neither startling nor new, neither are they easily accomplished: the main constraint being the basic *functional support nature* of the occupation itself.

In keeping with this preliminary analysis the Franklin Institute structured the main portion of the project to deal with the following major points :

- How does the purchasing professional - in the local government context - view his position.
- What groups are now concerned with the "professionalization" of purchasing; how have these groups interpreted their concern; and what are the strengths and weaknesses of the existing structure.
- How do the groups representing purchasing officials compare with those representing other professions.
- How difficult is it going to be to achieve "public recognition"— "public" being defined as the other organizations representing local government groups, analogous private sector groups (the National Association of Purchasing Managers, for example) and the local governments themselves, particularly in the form of their merit systems.
- Is there potential for future growth, and, if there is, what course(s) should it take.

THE POSITION OF THE PURCHASING OFFICIAL

The crucial and basic question in considering the concept of professionalization of purchasing is what place the purchasing official perceives himself occupying in his local context. This will largely determine the obstacles to public (as defined above) acceptance of any professionalization effort.

Since the preceding study collected considerable data on the objective context of the purchasing function and the purchasing official - i.e., how purchasing functions and relates to the large government body - the present study devoted an initial series of discussions*to the determination of the perceptions that accompany these administrative data. It is these data that define the essential *functional support nature* of the purchasing activity.

Spreading out from the Philadelphia region, these discussions included governmental purchasing executives in all geographic regions of the United States. From these interviews emerged a consensus on the following points:

1. The majority (70% to 90%) of the officials' time and effort is devoted to operating problems.

Purchasing executives feel that this allocation is appropriate and are not concerned by the lack of time to expand their activities within their respective jurisdictions.

* Purchasing agents in Atlanta, Philadelphia, San Francisco, San Jose, Seattle, the members of the NIGP Board and various NIGP members.

2. Local laws governing the authority, responsibility and conduct of the purchasing function are crucial and are essentially the same at all sites. They are an absolute control on management structure and style and a constant reference point for operations in most cases. The only crucial differences between sites lie in the degree of legal protection given to purchasing officials to separate him from outside pressures.
3. Purchasing executives are well aware of the number and kinds of contacts they have with line agencies, the executive and legislative branches of government and with the industrial/commercial sector. They consider these contacts to be a natural and essential part of the purchasing function.

In terms of any given jurisdiction's organizational structure, the ongoing contacts maintained by the purchasing function have a maximum horizontal and a minimal vertical profile.

4. There is a reasonably consistent pattern in the nature of the contacts maintained by the purchasing executives and their operations. Horizontal contacts with traditional, line agencies such as, police, fire, water, and recreation tend to be of a routine or ministerial nature in that technical assistance and purchase planning contacts are generally infrequent and only occur when the line agency encounters a difficulty. Contacts with newer line agencies established to cope with jurisdictional problems such as, economic development, environmental protection, energy conservation, and minority enterprise tend to require the provision of a full range of purchasing services including policy participation, acquisition planning, and technical and procedural advice.

Vertical contacts are frequently established by jurisdictional legislation and include: reporting to a chief executive or a cabinet level executive (e.g., Finance Director); review of purchasing actions by the legislative body or committee thereof; and supervision of or policy determination for the purchasing function by a separately constituted board or group.

In addition to legislatively generated contacts, vertical contacts also come about through a high level of functional performance - i.e., a good reputation for general management ability, insights from a central agency point of view, and needed market and budgetary information - by a purchasing executive.

5. Purchasing executives are usually aware of the activities and problems of their counterparts in their immediate geographic region and, in some instances, throughout the nation: an awareness fostered largely by membership in local, state, regional and national professional purchasing associations. Membership in these associations is of value in terms of providing better service to their own jurisdiction through maintaining a broader "more professional" outlook, gaining useful information on techniques, practices and specific items, and establishing supportive personal contacts.

For the most part the jurisdictional purchasing concerns significantly outweigh the professional association concerns of the purchasing executive. The individual executive is currently required to spend an undue amount of time and effort to adapt the professional association output to his jurisdictional situation. Perceptions of the areas of activity and program improvement which should be embraced by the professional association (at all geographic levels) are almost universal. They include:

- Development and presentation or active sponsorship of more and better education, professional development, and training programs.
- Better organization and distribution of technical information on purchasing practices and on systems, goods and services which must be acquired.
- Development and implementation of a uniform purchasing code to counteract the many difficulties presently experienced under the many widely varying local laws.
- Development of a mechanism through which national or state professional associations could directly support individual purchasing executives or groups of purchasing executives in their efforts to improve their role and their operations.

Symptomatic of the depth of these concerns and of the desire for professional improvement is the fact that every purchasing executive interviewed is a member of at least two, and often three or more of the five major national professional purchasing associations and one or more local, state or regional association.

In contradistinction to the preceding data, indicating the sound or successful role for public purchasing executives, is the information gathered by the Franklin Institute Research Laboratories* from a large number of local jurisdictions adjacent to Philadelphia. A precis of this information indicates that in a majority of the cases, the role of the public purchasing executive ranges from non existant (other local officials do purchasing work part time) to the purely mechanical, i.e., devoid of problem solving, managerial or general government activities or connotations. The difference is a result of both the size of the government - the primary factor - as well as its sophistication.

Similar situations exist in other geographic regions of the United States indicating that there is an extremely wide range of roles within the occupational group and consequently there is a wide range of contexts within which to function effectively.

In summary, the data from this and the prior study show that the role of the public purchasing executive is for the most part established through two major contributing factors.

1. Local law (and tradition) which generally sets;
 - Organizational locus,
 - Administrative controls,
 - Fiscal controls, and
2. Individual performance which develops;
 - Productive working relationships with higher authorities,
 - Productive working relationships with agencies served,
 - Participation or leadership in new jurisdictional endeavors,
 - A jurisdictional resource for solving a variety of medium and short range problems.

While not unrelated, in that superior performance can off-set the counter-productive requirements of local law, of the two factors contributing to role determination, individual performance takes precedence.

Considering these two factors separately, an examination of the general body of local purchasing law shows that:

1. Purchasing laws which generate or support an effective role, by including management and general government activities, are in the minority.

* *Industry, Innovation and the Municipal Market*; Report C-3431-01 (Final) October, 1972, Franklin Institute Research Laboratories, Phila. Pa. for U.S. Department of Commerce, Economic Development Administration - Grant No. 99-6-09281.

2. Purchasing laws which inhibit an effective role are more prevalent than those which provide support, but are nonetheless a minority.
3. Purchasing laws which have no apparent positive or negative effect on role constitute the large majority.

In most instances, the body of local purchasing law appears to be difficult to change in any major way. However, this stability, if not immutability, must be viewed in the light of the absence of any concerted, persistent and expert efforts toward improved purchasing legislation. By implication this leads directly to the performance factor.

In examining the factor of individual (and consequently organizational) performance, it appears that:

1. Individual performances which generate effective roles* are minimal, both in number of instances and national impact.
2. Individual performances which are clearly limited to "what the law allows" constitute the large majority.
3. Individual performances which is less effective than is possible under current legal and organizational conditions are a larger minority than those which generate an effective role, but nonetheless a minority.

Because individuals can be more readily influenced than the body of the law, individual performance is the vastly more dynamic of the two major contributing factors, and appears to be the factor which can be the more easily and more rapidly improved.

As a result, the most productive and timely approach to enhancing the role of public purchasing executives, and thereby increasing the potential for professionalization, is to give strong support to the individual performances of the group.

THE MEANS FOR PROFESSIONALIZATION

The traditional approach to the provision of support to widely dispersed, and relatively isolated individuals, operating under a wide variety of local conditions, is the national association.

* To reiterate: an effective role is one which, in addition to good day to day operation, includes participation in central management and general government.

The way in which national professional associations are now generating - both by their actions as well as their inaction - the needed broad based impact is described in the following excerpt.*

To what extent do public service professional associations benefit the public interest by upgrading individual members? This question is being raised by many public employers as they struggle to keep spiraling budgets within the limits of available resources. Requests for funds for membership dues, conferences, and other association-related activities have come under close scrutiny. Public employees are being asked to thoroughly document the benefits received from association membership in relation to the costs. Benefits to the individual tend to be more obvious than benefits to the public jurisdiction. The fact that such discussions are taking place indicates that public service professional associations and their members have often neglected to adequately *inform the public and governmental employers of the role of the professional organization in upgrading the public service through professionalization.*

Public service professional associations are dedicated to expanding the knowledge, skills, and ability of their members and fostering an image of the professional public servant. They were formed to serve as a center of activities for the advancement of the broad range of public service professions. Association programs are aimed at providing a professional identification for the members. Professional organizations work for the advancement of their respective professions by developing a body of professional literature, conducting education and training programs, establishing professional standards, requiring a degree of self-control through codes of ethics, and..... have made significant strides in the area of professional standards and codes of ethics, as well as professional development activities. In addition, most of the professional associations provide socializing opportunities for their members as well as such benefits as insurance, retirement plans, job placement services, discounts on publications and training courses, and career development information on such topics as employment contracts, salaries and fringe benefits, and other areas of interest to members.

* John N. Matzer Jr., "Establishing Guides for Professional Practice of Individuals in the Public Service Professions" *Public Service Professional Associations and the Public Interest - Monograph 15*, American Academy of Political and Social Science, Phila. Pa. Feb 1973 - (Italics added here for emphasis - Ed.)

In this context, the national professional association is a mechanism which uses a bridge of goals, standards and knowledge to erase the gaps between varying local conditions, all to the benefit of the local jurisdiction through improved service by the "professionalized" practitioner.

As noted above the variety of national professional associations is wide, as a look at either the *National Trade and Professional Associations of the United States* * or the Washington, D.C. telephone directory will illustrate. Indeed, the national professional association, as a conglomerate institution, is a "sleeping giant" whose economic impact on the nation has been neither adequately investigated nor utilized.

Of these groups, the number of national professional associations established for support and enhancement of professional purchasing are few. Those of substance are:

National Institute of Governmental Purchasing
 National Contract Management Association
 National Association of Purchasing Management
 National Association of Educational Buyers
 National Association of Hospital Purchasing Management

While there is obviously a definable community of interest among the above associations (to be discussed later), if we look to the national professional associations to support individual performance in the public service through their professionalization efforts, it is necessary and reasonable to ask;

1. Which national professional associations are we talking about? and
2. How well are they presently (or potentially) able to provide the needed support?

In answer to the first question, the organizations *listed above* are those most directly and continuously active in the field of purchasing at the national level. In regard to impact on local government, The National Institute of Governmental Purchasing (NIGP) is the clear choice. This being the case, NIGP will be highlighted and receive additional emphasis hereafter.

Answering the second question is a more formidable problem.

In the course of the project the Franklin Institute approached this second question in several ways.

1. *Federation.* Could federation among several (or all) of the preceding groups provide the basis for the needed support?

* Columbia Books Inc., Washington, D.C. Vol. IX, 1974

2. *Professional certification and the civil service.* What are the problems and which group (or groups) could best deal with the incompatibilities?
3. *Comparison with a successful group.* Since the accounting profession faced and has largely resolved the same problem that now exists in the purchasing profession, do any of the existing groups (or a federation) show the potential for developing along the same lines?

A Consideration of Federation

A brief overview of the purchasing field leads almost directly to the conclusion that if the professionalization of local government purchasing efforts is to be achieved by means of a national association structure, federation - or cooperation that leads to federation - among existing groups is probably the only near-term possibility. The alternative is not that the *status quo* will be maintained but rather that the chance of achieving professionalization by means of a national association will further diminish due to the rise of state and regional groups having parochial interests.

It is almost axiomatic that the greater the number of groups that requires co-ordination the more remote is the possibility of any but a *pro forma* co-operation. Thus in the case of purchasing, a large number of state and regional groups will increase the level of organization, in that the groups will provide organizational structure where none previously existed, but will simultaneously tend to freeze the level of organization attainable in the future at a point far below the national level. In this situation, the possibility that some existing (or new) group will emerge as a leader is quite remote. Since there is also only a finite pool of financial resources available to any group through membership, the proliferation of groups will also tend to limit the opportunities for growth open to any national or umbrella association.

Based on the recognition that there is a certain community of interest - acknowledged or not - among the professional purchasing association, the Franklin Institute prepared a brief paper that introduced the idea of federation, in a general manner, and related it to such topics as the ethics of the profession and professional certification. This document was circulated first to the membership of the NIGP board and, if an appropriate interest was shown, was then to be sent to the management and boards of the remaining groups.

The range of response* to the notion of federation was quite wide:

* Eleven members of the NIGP Board responded: three in favor, three against and five undecided.

- * A federation of professional purchasing associations has never been proposed nor attempted before.
- * An attempt at federation would probably be unsuccessful and would probably be counter-productive to those involved.
- * Other concerns of the professional purchasing association such as membership, technical assistance, and training have a higher priority and work on federation would dilute these efforts.
- * Pursuit of a "federation" campaign by any given professional purchasing association might be interpreted by other associations as a "take over" attempt. This would be undesirable.
- * Federation is a generally good idea but such a federation would have to be carefully and loosely structured. It would require a clear understanding of what was happening by all participants.
- * Federation is a good idea but it is important that study and implementation work be done by a neutral or disengaged professional group to avoid connotations of aggrandizement.
- * An "umbrella" association or federation, structured to preserve the unique characteristics and traditions of each participant, would do much to strengthen the role and effectiveness of the purchasing and its practitioners.
- * The program could be mutually beneficial to all concerned and should receive a high priority for action.

While the preceding represents the range of the responses, their numerical balance (8 to 3, when the undecided are grouped with the negative) lies towards the negative, and they conveyed the impression that considerable preparatory work should be done to develop a firm and agreed upon context for the consideration of such ideas before such an experiment could produce results that merit evaluation. Thus although the results were doubtful enough to discourage the formal extension of the discussion to any other group, it would be incorrect to interpret these results as constituting a true negation of the ideas presented. Rather, as noted above, they reflect a lack of the requisite context and prior discussion and thought which was presumed to be present. The idea is not "dead" but unevaluated and thus needs study at a later date.

Federal efforts designed to strengthen the municipal market must *eventually* recognize the federation of existing purchasing groups as an essential step in the development of the professionalization required to enhance the local government market. In this event, the Franklin Institute recommends that one of the following three courses of action be given support over a period of several years before any direct steps are

considered — provided of course, that change has not significantly altered the organization in the interim. The three suggested alternatives are:

1. The investigation, coordination and structuring of a "federation" by a disinterested group.
This alternative does not envision a federated entity permanently "owned and operated" by the initiating group. A principal objective of this alternative would be the transfer of ongoing management and secretariat to the participants. The weakness of this approach lies in the non-involvement of the third party.
2. Additional emphasis by the General Services Administration, through the mechanism of the Advisory Panel of Local and State Governments, on coordinated, cooperative efforts by national professional purchasing associations.
3. Development and implementation by the appropriate Federal agencies of a policy requiring that funding related to the purchasing field be structured to fully encourage cooperative and coordinated action by as many national professional purchasing associations as possible. This is probably the best approach.

Certification

During the past two or three years there has been an increasing interest shown and effort expended by the national professional purchasing associations in the area of certification. The main objective of this effort is to provide the means and incentives to purchasing practitioners to participate in educational, professional development, and training activities in order to increase their professional abilities. Generally, this increase in knowledge and capacity is measured against association established standards, tested by examination, and recognized by an association certification (and title) of competency.

Along with the California Association of Public Purchasing Officers (CAPPO), which has a state-wide plan, the National Institute of Governmental Purchasing is a leader among the professional purchasing associations in the certification effort. Theirs was the only national certification plan and has been in operation since 1967. Other associations who are currently engaged in certification work include:

National Contract Management Association
National Association of Purchasing Management
National Association of State Purchasing Officials

In addition to the basic similarities of objectives and structures among the certification systems, there are similarities in the problems related to certification. The two major problems are:

1. Lack of widespread recognition of the certification once it is earned and awarded.
2. Serious difficulty, if not inability, in translating the certified professional competency into the concrete terms of occupational advantage for the certificate holder.

In practice these problems meet in the civil service system (Figure 2 sketches the problems at the local level and Figure 3, does the same for the Federal level).

Indeed, a strong analogy can be drawn between professional public personnel work and professional public procurement work. They are alike in their objectives, ethical stances, organizational division of work, organizational locus and role within a given jurisdiction, and their desire, through national professional organizations, to increase professionalism, performance and impact. As Figures 2 & 3 show, it appears that the analogy also extends to the conservatism and reluctance to accept innovation found by our earlier studies of public procurement. If the analogy is accurate, an attempt to increase the professionalism of public procurement through the recognition and acceptance of a certification seems to be a chancey endeavor. Purchasing officials find themselves in a situation where those whom they are asking for recognition by accepting certification (i.e., professional merit system and civil service practitioners) are subject to the same jurisdictional and national role deficiencies the purchasing officials are trying to overcome. However even if acceptance and recognition by professional personnel practitioners were achieved, they would be presently unable to unilaterally insert a professional procurement certification into their merit systems.

The preceding is stated for perspective rather than as an expression of pessimism since the recognition and acceptance of certification by merit system operators is essential. Success, however, comes in many forms and will depend largely on the success with which other professionalization programs are carried out and exert a beneficial pressure on the procurement-personnel relationship.

SUMMARY OF COMMENTS ON CERTIFICATION: THE LOCAL VIEW*

- o The basic difficulty is that most civil service systems have requirements for the greatest possible objectivity and competition in the employment and promotion processes. The recognition of certification narrows competition.
- o The insertion of the acceptance of certification into the local merit system essentially removes the objective evaluation of the applicant from the system's operators and gives it to the certifying group.
- There is confusion as to the relative values of the various and often competing professional certifications from professional organizations. The "professional" bias among merit system managers is that such certifications are basically self serving instruments for the national organization granting them.
- The Federal Equal Employment Opportunities Act and the actions and regulations of the EEOC make the certification of professional competence by a national organization, removed from both the national and local governments, legally difficult to accept. Certifying groups must now clearly demonstrate that:
 - (1) All persons who might possibly be able to acquire a certification had an equal opportunity to do so. There are strong implications here that "equal opportunity" involves stringent definition of education, including distance and cost, and liberal definition of relevant experience, and,
 - (2) That by objective measurements (not yet established), holders of the certificate will perform better on the job than non-holders. This latter is not always true and the lack of certification can become an artificial barrier to advancement. The generally accepted relationship between the education required to achieve certification and improved performance on the job will not suffice under present interpretation of E.E.O. law.
- To counter-balance the preceding, there are presently within the governmental (all levels) merit systems positions which require the possession of a license or professional certificate as a condition of employment. These certificate requirements are imposed by state law and were enacted as a result of lobbying and political pressure by the national organizations granting the certificates.

* Based on data gathered in discussions with six personnel managers at local level, including the Director of the Philadelphia's Civil Service.

SUMMARY OF COMMENTS ON CERTIFICATION: THE FEDERAL VIEW*

- * The scope and depth of the U.S. Civil Service system is considerably greater than that of any local government, however, despite the relative sizes of the civil service jurisdictions, most professionally led and operated systems are quite similar in terms of internal role, objectives, functions and working relationships with jurisdictional and external organizations.
- * A current major concern of the U.S. Civil Service is the recent Equal Opportunity legislation and the soon to be promulgated rules and regulations of the Equal Employment Opportunity Commission. It is expected that this legislation and the implementing rules and regulations will materially effect all recruitment, promotion and examination policy and procedures, including the use of licenses and certifications as prerequisites for employment.
- * Under the EE guidelines, as they are presently understood, the employing agency and the Civil Service Commission must demonstrate through formal job analysis and job content evaluation that what is required in terms of training and experience standards for recruitment and what is being tested for *is needed for job performance*.
- * These agencies must also demonstrate that everyone who could possibly qualify for a given position had an opportunity to compete for it.
- * The use of a professional certification as a prerequisite for government employment, with few exceptions, has always been difficult to establish. This difficulty arises from the fact that the U.S.C.S.C. system precludes the unilateral action needed to establish such a requirement. An additional difficulty is the fact that within the professional procurement and other fields there are a multiplicity of certification plans. These plans are essentially in competition and there is no demonstrable agreement within the professional procurement field as to which plan is best, particularly in terms of job performance. This confusion is amplified when the various plans are presented to organizations outside the professional procurement field for evaluation and approval.

Figure 2.

* Based on the data gathered in discussions with U.S.C.S.C.

In this light, the fact that lobbying by national organizations has resulted in certificates or licenses being required as a condition of employment in certain occupations within the merit system is interesting, although it occurs in most local jurisdictions as well as in the Federal Civil Service. The fact becomes significant when plans and methods for the professionalization of procurement are being established, for the immediate impulse is to copy success and structure a "political action" entity similar to those already at work.

However an attempt to do this raises a number of questions. First, does an organization accrue a national recognition and stature which enables or impels it to lobby? Or does an organization lobby to enhance, if not create, national recognition and stature? Since both practices are followed, which is the proper course for procurement?

The course selected is determined by a number of considerations including:

- (1) the definition or style of professionalism accepted by the procurement practitioners,
- (2) an objective evaluation of the locus of procurement activities within the professional hierarchy, and
- (3) a projection of the effectiveness of the alternative courses.

The present consensus among professional procurement practitioners and their national organizations appears to be that their particular style of professionalism is first and foremost highly ethical and devoted to the economic good of the organizations and society in which they function, as shown by their "Codes of Ethics", policy statements and various published material. This ethical consensus blends with the nature of the occupation to establish the professional requirements that all public statements be true and accurate with the public good as their objective. Further, it is felt that the ability to take action which will "back up" statements made must be a reasonable certainty prior to speaking out.

Within this conceptual framework, the second alternative - lobbying for stature - smacks of a self aggrandizement inconsistent with the perceived professional style. As a result, the first alternative appears to be more compatible with the ideal professional style of procurement practitioners and thus more acceptable to them.

As to the second point, the nature and locus, *vis-a-vis* other professions, of the procurement official's job indicates that role enhancement and increased acceptance are gained, almost exclusively, by superior job performance. At the present time job improvement problems seem to require the majority of the procurement profession's resources.

When the style and locus within the hierarchy of the procurement profession are taken into account, the conclusion reached is that the first alternative (acquire status - then lobby) will be the far more effective because it is compatible with both the style of the would be "lobbyist" and the perceptions of the procurement profession most frequently held by legislators and society in general. Employment of the second alternative (lobby primarily to gain status) would tend to make both groups involved so uncomfortable that there would be a high probability of failure, if not loss of status and previously gained acceptance.

A second major question about "political" action by the procurement profession is: Are the institutional divisions within the profession (i.e., public and private and within public - federal, state and local) sufficiently united to take effective action? Based on response to date to the proposal for a loosely knit federation of major national professional procurement organizations, the answer to this question is now essentially negative. A great deal of work must yet be done to structure a unification mechanism and gain acceptance for that mechanism before the procurement profession can do any effective lobbying for acceptance of certification or anything else.

The third consideration, a logical projection of the activities of the Federal Equal Employment Opportunities Commission in regard to professional certification and license requirements already in the local merit systems, is the possibility that the E.E.O.C. will eliminate or drastically alter existing local and federal certification and license requirements. If this occurs, it will add a large and formidable blockage to the acceptance and use of a professional procurement certification as a condition of employment. With the chances of success thus diminished, work of professional procurement organizations in the merit system certification area would have to be on a long term, carefully structured basis in order to prevent the waste of their resources.

While the prospects seem slight for the outright acceptance by merit system operators of a professional procurement certification as a condition of employment; the prospects for the use of the professional certification structure and its education and experience requirements are considerably brighter in the in-service career and training areas of any given merit system because;

- Within any given jurisdiction, there is more internal control over, and flexibility in training and career requirements.
- There is more frequent cause and opportunity for establishment of productive working relationships between the procurement professional and the personnel professional. For example, the procurement professional has an opportunity to provide substantial guidance to the personnel professional on the education and experience requirements for positions in the procurement area. He is, in fact, often requested or required to do this. In this case, professional career development and

certification requirements as established by national organizations can serve as major local guidelines and be installed intact except for formal attribution to the national association. While the blockages to acceptance and use by merit systems of professional procurement certification as a condition of employment also exist in the in-service area, the combination of increased internal control and flexibility and more productive working relationships function to reduce these blockages to much more manageable dimensions.

However, before any real action can be taken on the question of certification, a number of things must occur. The current state of competition among certification plans and the resultant confusion of non-practitioners regarding them, the promulgation of the equal employment opportunity legislation, rules and regulations, and the historical lack of success of existing groups, all seem to call for a re-evaluation of and/or change in emphasis in the general goal relating professional certification and governmental employment.

An immediate consideration should be the way in which the goal is most frequently stated. This would not necessarily change the goal, but could help provide a clearer, more accurate picture of what the national professional procurement associations want to do. Presently the goal is most frequently stated in terms of the action required, i.e., make professional certification a prerequisite for employment. This sort of statement conjures up more visions of self-aggrandizement than of contribution.

Perhaps it would be better to state the goal in terms of the reasons for and benefits of incorporating the substance and results of professional certification programs in the governmental employment system. The goal stated in this context might be something like: "to insure that procurement practitioners in the government's employ at the executive, management, technical, and administrative levels are well and appropriately trained in the profession." This type of restatement permits the involvement of the national professional procurement associations in the in-service training and professional development activities of the civil service function, for this involvement clearly promotes the desired assurances of professional training and orientation. In addition, involvement in in-service training and professional development establishes a situation wherein the national professional procurement associations are working within the ongoing civil service system instead of attempting to make major changes or gain major exceptions thereto. This latter, coupled with the ability of the civil service system to be more flexible and innovative in its activities than in its major policies, significantly increases the probability of success in gaining the professional objectives of the national procurement associations.

Restatement of the training and certification goal and a redirection of efforts to work within the existing system framework will not accomplish needed changes if the managers of the civil service systems and activities remain confused as to which training and certification plan is best and continue to view the efforts of the national professional procurement associations as an area of conflict and competition rather than as a source of training assistance. Therefore, it appears essential that cooperative action on training and certification, education and professional development by the national associations be discussed, organized and effected prior to any serious approach to work with the U.S. Civil Service Commission or any other civil service system.

A good practical starting point would be to aim at the recommendations developed by the Commission on Government Procurement (see Figure 4). Although the discussion related to these recommendations does not touch on professional certification, it does deal extensively with the *raison de etre* for certification, i.e., education, professional development and training. The Report finds these activities underdeveloped and widely dispersed. Since training is properly and traditionally a personnel/civil service function, the current sad state of affairs could well be considered an impediment to professionalization and one which the national association could be quite well equipped to overcome.

An Existing Model for the Development of a National Professional Purchasing Organization

The genesis of this particular topic resides in the earlier Franklin Institute study that makes the following recommendation concerning the NIGP:

The encouragement and support of the National Institute of Governmental Purchasing or a similar body as a broad-based multi-service organization to bring greater professionalism to local government procurement -- thereby increasing technological sensitivity -- and to serve as a primary channel for technical information, specification needs and revisions, innovative needs and market aggregation efforts...

It is, of course, legitimate and reasonable to ask, "Why NIGP?" The answer is the seemingly facitious platitude, "Why not?" To the extent that municipal and local governments in the Philadelphia area are typical of local governments everywhere -- and they probably are -- they appear to be uninfluenced by just about every organization one could name -- in the sense that they have either not heard of an organization or made use of its publication and services or both. This does not mean that NIGP is an exception, for it isn't, it is just as unknown as all the rest. The only possible exception to this blanket stricture is the ICMA, and even its presence verges on the inaudible.

SELECTED COMMISSION ON GOVERNMENT PROCUREMENT
RECOMMENDATIONS* RELATED TO CERTIFICATION

Chapter 5

The Procurement Work Force

12. Reevaluate the place of procurement in each agency...
16. Establish a recruiting and trainee program to assure development of candidates for procurement positions in all agencies, at all levels, and in all required disciplines. Special attention should be given to college recruitment to obtain young workers capable of being trained through experience and additional formal education to provide the managerial staff required a decade from now.
17. Establish a better balance between employee tenure and promotion rights and long-range needs of the agencies.
18. Establish grade levels together with job prerequisites to reflect the authority and responsibility vested in procurement personnel.
19. Establish a rotation program to provide selected future procurement management personnel with a variety of related job experiences and individual assignments throughout the Government and in various locations.
20. Structure career development, promotion, and reduction-in-force programs to reflect a longer-range viewpoint of what is best for the overall needs of the agency and of the Government.
21. Establish a Federal Procurement Institute which would include undergraduate and graduate curricula, procurement research programs, executive seminar programs, and other academic programs.

* Commission on Government Procurement, PL 91-129, Nov. 1969, Final Report available from; Superintendent of Documents, U.S. Government Printing Office, Washington, D.C. (\$ Vols.)

Figure 3.

Continuing the earlier material, it is fair to note that unknown does not mean uninfluential, however it is equally true that well-known certainly means more influential. This is especially true when there are thousands of professional associations competing for the "dues dollars" of professional practitioners.

In this context it seems reasonable and legitimate to ask, "why are some professional associations better known than others?" The answer to this question is, indeed, major study in itself, so the investigation presented here is of necessity quite limited.

The first limitation was to consider only those professional associations representing associations that shared purchasing's basic *functional support nature*. The exploration as a comparison between two professions within the group - specifically accounting and purchasing. The occupational and professional similarities between these groups include:

1. Central support function within a given organization
2. Holding a "fiduciary" capacity within an organization
3. Distinction drawn between non-governmental and governmental practice
4. Thrust toward increased participation in general management of an organization
5. Established national professional associations
6. Concept and definition of professional practices established
7. Continuing policy and programs of professionalization by the national professional associations.

These common traits, which cover rather basic points, are enough to form the basis for a useful comparison.

What is it about one group which makes it better known than another? In a series of brief interviews* with a variety of individuals, randomly encountered, each individual was asked if he could recognize or identify each of several sets of initials (e.g., NIGP, CPA, CPPPO, FIRL etc.). Not surprisingly, the highest recognition/identification was for MD = doctor. There was only slightly less recognition of CPA = accountant. All other items were essentially unknown when compared with the first two.

The more detailed comparison shown in Table 1 contains the basis for an explanation of this difference.

* Between 100 and 125 persons were interviewed.

Table 1. Cooperative Statistics for Selected Occupancy

| COMPARATIVE STATISTICS - SELECTED OCCUPATIONS | | OCCUPATION | | | | Difference in Percentages (Accountant to Purch Agent) |
|--|----------------|--|---------|--------|---------|--|
| Item | ACCOUNTANT (1) | PURCHASING (2) AGENTS and BUYERS | | % 's | | |
| | | % 's | | | | |
| 1. Occupation's Percentage of Census Category (see (1) and (2)) | 6.21 | - - | 2.53 | - - | + 3.68 | |
| 2. Number of Persons Employed (3) | 711,363 | 100.00 | 162,256 | 100.00 | - - - | |
| 3. Employed by Non-Government Organizations | 583,124 | 81.97 | 129,822 | 80.01 | + 1.96 | |
| 4. Employed by Government (4) | 128,239 | 18.03 | 32,434 | 19.99 | - 1.96 | |
| a. Total | 128,239 | 100.00 | 32,434 | 100.00 | - - - | |
| b. Federal | 70,372 | 54.86 | 18,281 | 56.36 | - 1.50 | |
| c. State | 35,947 | 28.05 | 7,882 | 24.30 | + 3.75 | |
| d. Local | 21,920 | 17.09 | 6,271 | 19.34 | - 2.25 | |
| 5. National Professional Associations (5) | 20 | - - | 6 | - - | - - - | |
| a. Total Number of Individual Members | 240,275 | 100.00 | 26,725 | 100.00 | - - - | |
| b. Non-Government Employed Members | 231,250 | 96.25 | 20,100 | 75.22 | + 21.03 | |
| c. Government Employed Members | 9,025 | 3.75 | 6,625 | 24.78 | - 21.03 | |
| d. Percent of Members to Persons Employed (5a ÷ 2) | 33.77 | - - | 16.47 | - - | + 17.30 | |
| Non-Government (5b ÷ 3) | 39.65 | - - | 15.48 | - - | + 24.17 | |
| Government (5c ÷ 4) | 7.03 | - - | 20.42 | - - | - 13.39 | |

Notes;

(1) Occupation placed in Professional Category ((3) *ibid*) - This Category contains 11,451,868 persons.

(2) Occupation placed in Management-Administrative Category - This Category contains 6,386,997 persons

(3) U.S.Bureau of the Census, Census of Population 1970, SUBJECT REPORTS, Final Report PC(2)-7A, *Occupational Characteristics* - Table 38(4) U.S.Bureau of the Census, Census of Population 1970, SUBJECT REPORTS, Final Report PC(2)-7D, *Government Workers*(5) *National Trade and Professional Associations of the United States*, Columbia Books, Washington D.C. Vol IX 1974

- Of immediate interest is the difference in census categories within which our subjects for comparison fall. While the Bureau of the Census defines the Categories, Occupational Groups, and Occupations they use rather fully, there is no clear line of demarcation between the Professional and Managerial Categories.
- This being the case, the categorical locus of the two professions implies that Accounting is more widely recognized as a profession than Purchasing.
- Despite the numerical preponderance of accountants, the percentage breakdown between non-government and government employment is essentially the same. (Items 3 and 4 - Table 1) with about eighty percent (80%) of each group in non-governmental employ and twenty percent (20%) in government employ.
- This "percentage employed by" similarity carries through to the government employment area (Items 4a-d - Table I) with Federal, State and Local governments employing almost equal percentages of the accounting and purchasing groups but with slightly more purchasing agents being employed by State and Local governments.
- The numerical preponderance of the accounting group is again demonstrated in the area of national professional associations, with twenty (20) accounting associations and six (6) purchasing associations - a ratio of better than 3 to 1. The larger number of accounting associations could well suggest a more diversified community of interest with a large enough population to support "specialist" type associations.
- Professional association members are not in the majority in either occupational group. However, the professional accounting associations appear to be more attractive to their practitioners with thirty four (34) out of every one hundred (100) potential members having joined as compared to sixteen (16) out of every one hundred (100) potential members having joined in the purchasing group.
- Looking at a further breakdown of national association membership we find that the professional accounting associations appear to be much more attractive to non-governmental employed potential members while the professional purchasing associations appear to have an almost equal appeal to non-government and government employed potential members but with slightly more appeal in the government area.

Looking more closely at the professional association and their memberships (Table 2) indicates the following:

COMP

ING ASSOCIATIONS

| | Membership | Budget (thous-dols) | Staff | Age |
|--------------------|------------|------------------------|-------|-----|
| Americ | 1,400 | 100-250 | 5 | 54 |
| Americ Certa | 1,100 | n/a | 5 | 17 |
| Americ Publ | 19,000 | 500-900 | 20 | 59 |
| Americ Acco | 125 | 10-15 | 5 | 27 |
| Americ Ceri | 4,000 | 100-250 | 5 | 15 |
| Ass'n Accountal | 700 | 100-250 | 5 | 30 |
| Feder Asso | | | | |
| Finan | | | | |
| Hospi Asso | | | | |
| Insti | | | | |
| Insur Stat | | | | |
| Natio | | | | |
| Natio Fede | | | | |
| Natio Note | | | | |
| Natio | | | | |
| CPA | | | | |
| Natio | | | | |
| Comp | | | | |
| Natio | | | | |
| Boar | | | | |
| Natio | | | | |
| Acco | | | | |
| Natio | | | | |
| Acco | | | | |
| Socio | | | | |

Table 2

le and Professional Associations

mbia Books Inc., Washington D.C.

he American Institute of Certified

inance Officers Association of the

COMPARISON - SELECTED STATISTICS - NATIONAL PROFESSIONAL ACCOUNTING AND PURCHASING ASSOCIATIONS ⁽¹⁾

| ACCOUNTING ASSOCIATIONS | | | | | | PURCHASING ASSOCIATIONS | | | | | |
|---|-----------------|------------------------|-------|-----|--|--|------------|------------------------|-------|-----|--|
| Name | Membership | Budget (thous-dols) | Staff | Age | | Name | Membership | Budget (thous-dols) | Staff | Age | |
| American Accounting Ass'n | 15,000 | 250-500 | 5 | 58 | | National Association of Educational Buyers | 1,400 | 100-250 | 5 | 54 | |
| American Association of Attorney-Certified Public Accountants | 900 | 50-100 | 1 | 10 | | National Association of Hospital Purchasing Management | 1,100 | n/a | 5 | 17 | |
| American Institute of Certified Public Accountants | 95,000 | +1 million | 360 | 88 | | National Association of Purchasing Management | 19,000 | 500-900 | 20 | 59 | |
| American Society of Women Accountants | 3,500 | 50-100 | 5 | 36 | | National Association of State Purchasing Officials | 125 | 10-15 | 5 | 27 | |
| American Woman's Society of Certified Public Accountants | 700 | n/a | n/a | 41 | | National Contract Management Association | 4,000 | 100-250 | 5 | 15 | |
| Ass'n of Water Transportation Accountants | 250 | 10-25 | 1 | 62 | | National Institute of Governmental Purchasing | 700 | 100-250 | 5 | 30 | |
| Federal Government Accountants Association | 8,000 | 100-250 | 5 | 24 | | | | | | | |
| Financial Executives Institute | 7,500 | +1 million | 35 | 43 | | | | | | | |
| Hospital Financial Management Association Inc. | 12,000 | 500-900 | 25 | 28 | | | | | | | |
| Institute of Internal Auditors | 8,000 | 500-900 | 22 | 33 | | | | | | | |
| Insurance Accounting and Statistical Ass'n. | 1,200 companies | n/a | 5 | 46 | | | | | | | |
| National Association of Accountants | 70,000 | +1 million | 95 | 58 | | | | | | | |
| National Association of Enrolled Federal Tax Accountants | 50 | 10-15 | 1 | 14 | | | | | | | |
| National Association of Hotel-Hotel Accountants | 1,600 | 10-25 | 2 | 21 | | | | | | | |
| National Association of Minority CPA Firms | 55 companies | 10-25 | 2 | 3 | | | | | | | |
| National Ass'n of State Auditors Comptrollers and Treasurers | 175 | n/a | 1 | 58 | | | | | | | |
| National Association of State Boards of Accountancy * | 800 | 50-100 | 5 | 67 | | | | | | | |
| National Committee on Government Accounting ** | 15 committees | (MFOA) | 11 | 40 | | | | | | | |
| National Society of Public Accountants | 15,000 | 500-900 | 25 | 29 | | | | | | | |
| Society of Insurance Accountants | 500 | 10-25 | 1 | 14 | | | | | | | |

(1) as listed in *National Trade and Professional Associations of the United States*, Columbia Books Inc., Washington D.C. Vol. IX, 1974 \$15.00

* Holds annual meetings with the American Institute of Certified Public Accountants

** Sponsored by the Municipal Finance Officers Association of the United States and Canada

- * As noted above, there are more national professional accounting associations (20) than there are national professional purchasing associations (6). The ratio of membership in these respective groups (9 to 1) is three times as great as the ratio of associations (3 to 1). Again it appears that the national professional accounting associations are more attractive to the relevant practitioners. Larger membership provides geometric increases in the number of contacts by all segments of the society with the 'professional' work and orientation of the group and thus increases recognition.
- * A review of the names of the associations indicates more diversity of interest and a higher degree of specialization in the accounting group. These 'specialty' associations appear to be supplementary to (rather than divisive within) the main body of professional accounting associations. This conclusion is supported by the observations that sixty nine percent (69%) of the total membership shown are affiliated with the two (2) largest and broadest based associations. When the four (4) largest (still broad base) associations are considered, we find they hold eighty two percent (82%) of the total membership.
- * A similar analysis of the national professional purchasing associations shows that seventy one percent (71%) of the total membership shown is affiliated with the single largest association and eighty six percent (86%) of the total membership with the two (2) largest associations. Association names in this case generate an impression of more basic similarity than in the accounting array.
- * On a comparative basis the degree of concentration of membership in a small number of associations is about the same.

| | | | Largest Associations | | | |
|------------|---------------------|----------------|----------------------|-----------------------|---------|-----------------------|
| | (1) Associations | (2) Members | Number | % of Total (Col.1) | Members | % of Total (Col.2) |
| Accounting | 20 | 240,275 | 2 | 70 | 165,000 | 69 |
| | | | 4 | 20 | 195,000 | 82 |
| Purchasing | 6 | 26,725 | 1 | 76.5 | 19,000 | 71 |
| | | | 2 | 33 | 23,000 | 86 |

- * The professional association staffs of accounting associations appear to be generally larger than those of purchasing associations. When the Member-Staff Ratio (i.e., number of members for each staff position) is considered, the range of coverage is greater in the accounting group at *to 1,600* than in the purchasing group at *140 to 950*.

Comparative average coverage is more similar, with 387 members per *accounting* staff member and 398 members per *purchasing* staff member.

- * National professional accounting associations appear to be relatively more affluent than purchasing associations. Accounting association budgets are more frequently larger;

| Budget Size Distribution | Number of Associations | |
|-----------------------------|---------------------------|------------|
| | Accounting | Purchasing |
| (Thous. \$) | | |
| +1,000 | 3 | 0 |
| 500-900 | 3 | 1 |
| 250-500 | 1 | 0 |
| 100-250 | 1 | 3 |
| 50-100 | 3 | 0 |
| 25-50 | 0 | 0 |
| 10-25 | 5 | 1 |
| not available | 4 | 1 |

- * The average budget for the *accounting* group is computed at \$430,000. per year and for the *purchasing* group at \$335,000. per year. Based on these figures; *fourty four percent* (44%) of the accounting group reporting have *above average* budgets and *fifty six percent* (56%) have *below average* budgets.

By comparison, *twenty percent* (20%) of the purchasing group reporting have *above average* budgets and *eighty percent* (80%) have *below average* budgets.

- * When the Budget-Staff Ratio (i.e., the number of budget dollars per association staff member) is considered the range is again much wider in the accounting group at \$2,800. to \$100,000. than in the purchasing group at \$3,000. to \$50,000. This diversity is lessened when the average ratio is considered since this average is \$33,400. for the accounting roup and \$39,600. for the purchasing group.
- * In examining the Budget-Member Ratio (i.e., the number of budget dollars per member) we again find a wider range among the national professional accounting group at \$11. to \$455. than among the national professional purchasing group at \$63. to \$357. In terms of average Budget-Member Ratio, the accounting group stands at \$104. per member and the purchasing group at \$153. per member.

Although membership fee structures vary widely from organization to organization, and total organizational income is not entirely dependent on these fees, it is interesting to note that the average Budget-Member Ratio for both the accounting (\$104.) and purchasing (\$153.) groups is well above the average individual membership fee

for all national professional associations of about \$32. Seventy five percent (75%) of the accounting associations listed and one hundred percent (100%) of the purchasing association were above the national average fee.

- * The ages of national professional accounting associations range from *3 to 88 years* and their average age is *38 years*. By comparison ages of national professional purchasing associations range from *15 to 59 years* and their average age is *33 years*.

In both groups, the oldest associations have the largest memberships and the largest budgets, implying that perseverance and experience are contributing factors to association growth and well being.

Finally, with two exceptions, no new organizations have been established in the past fourteen (14) years. Apparently the vast majority of professional practitioners interested in joining can find some satisfactory affiliation within the present array of organizations.

In summary, these observations show more similarities between the two groups than differences. If the accounting group is more widely recognized and accepted as a profession then the similarities demonstrated clearly indicate that purchasing has the essential ingredients and potential for equally wide recognition and acceptance as a profession.

One major difference must be noted. Within the professional accounting group the concept and definition of knowledge, skills, disciplines and occupations directly related to the profession is much broader and more inclusive. It is to the credit of this profession that the practitioners in a wide variety of 'speciality' branches accept this broad definition.

By contrast there exists within the professional purchasing group a significant problem with the concept and definition of knowledge, skills, disciplines and occupations directly related to the profession. Returning to the very first footnote in this report indicates that purchasing is called by many other names in order to adequately reflect the total concept developed by professional practitioners in the field. For the most part the "birth to death - flow and control of goods and services" is widely accepted by all the sub-discipline groups (e.g., purchasing, procurement, material management, logistics, quality control, inventory control, transportation, warehousing etc.). However, there is a marked tendency on the part of most sub-disciplines to consider themselves the central functional point in the concept - from which all else follows.

If the accepted concept and scope of the purchasing profession were an operating reality, and all relevant sub-disciplines were included under one professional heading, Table 2 on the purchasing side would include ten (10) additional national professional associations with an additional membership of seventy seven thousand (77,000).

To make the accepted concept an operational reality would require considerable statesmanship and the expenditure of resources not now at the command of any of the potential participants. Nonetheless, the magnitude of the positive economic and professional impact of such an effort makes the effort worth pursuing.

Turning from the more general data to particular organizations it is useful to compare the American Institute of Certified Public Accountants directly with the NIGP.

The American Institute of Certified Public Accounts is the predominant national organization in the accounting field. A cursory analysis of twenty of the national accounting organizations listed in the *National Trade and Professional Associations of the United States, Vol IX, 1974, Columbia Books Inc. Washington, D.C.* shows that of 240,275 individuals who are members of professional accounting associations, 95,000 or thirty-six percent (36%) belong to AICPA. Further, of 112,400 individuals who are members of professional associations related to public accounting, eighty-five percent (85%) are members of AICPA. (A summary of pertinent information about the AICPA is presented in Figure 6).

This numerical predominance is a clear indicator of a strong organization. The major factors or conditions generating and maintaining this strength include;

1. *The role of the professionally certified practitioner within the business and economic structure of the United States.* The work of these practitioners has direct and critical effect on the financial health of a vast number of commercial and industrial organizations. For example, the end product of a certified practitioner's work is frequently a controlling factor in a given organizations success in issuing (se ling) bonds or common stock or in various types of litigation.
2. *A national association structure based on strong, somewhat independent state associations, combined with well-defined, complementary functions assigned to the national and state associations.* This structure fosters wider opportunities for individual and professional growth at the local level and assures total activity relevant to the individual practitioners. In addition, the overall structure strongly resembles the nation's federal system of government. Tradition and environment hold that the national federal system is valid and successful, thus the individual practitioner can readily accept and work within an association structure which imitates it.

THE AMERICAN INSTITUTE OF CERTIFIED PUBLIC ACCOUNTS:
AN OUTLINE OF STRUCTURE AND OPERATIONS

- * The AICPA has a history of some eighty years, and most state organizations are equally as old. During this time there has been a gradual increase in the recognition and acceptance of the CPA certification and CPA organizations. Originally state organizations were highly independent. These state organizations developed, administered and graded their own certification examinations. Qualifications from state to state were diverse and there was minimal state to state reciprocity on certification. Acceptance and recognition grew in proportion to the uniformity and universality achieved in the program.
- * AICPA is a large central professional association which works closely with state associations which are almost totally autonomous, e.g., state association membership is not required for national membership and vice-versa.
- * The relationships between state associations are generally good; however there are some problems in reciprocity of certifications between given states despite the fact that the AICPA develops and administers all certificate examinations.
- * The governing structure of AICPA is an association of delegates and members at large. These delegates are chosen through a variety of means by the state associations (most frequently by state election or through an ex-officio structure). Members at large are elected on a national basis. The number of delegates from each state is determined by the *number of members in the state association*. The ongoing work is carried out by the Board of Directors and officers of AICPA. There are eighteen (18) members of the Board of Directors and a number of salaried officers. Election to the Board is by vote of the General Council as recommended by the Council's Nominating Committee.
- * AICPA develops and grades the examination for certification. The AICPA and other state organizations administer the examination and award a state certificate to those who pass the national examination.
- * Uniformity and universality were gained by initially setting broad national qualification parameters and gradually raising and tightening the qualification requirements.
- * There has been a continuing dialog over the past twenty (20) years as to whether or not the state associations should become chapters of the national association. A consensus has not yet been reached.

Figure 4.

THE AMERICAN INSTITUTE OF CERTIFIED PUBLIC ACCOUNTS:
AN OUTLINE OF STRUCTURE AND OPERATIONS
(Continued)

- * There is a continuing and heavy emphasis on service to the state organizations. AICPA has a Department of National-State Relations which functions as the day to day communication agency with the fifty-four (54) state association units. All national communications on activities, programs and problems flow through this Division. Since there are many large functional divisions in AICPA (e.g., Examination, Publications, Education and Training, Professional Practice Standards, Membership,) the single division contact system eliminates or reduces multiple and confusing communications to the state associations and enhances orderly response and cooperation from them.
- * Mergers and splinter groups dot the history of AICPA. A major step forward for the present organization was the merger with the second largest (AICPA was first largest) and second most influential public accounting professional association a number of years ago. This merger combined resources, eliminated competition, and made the national organization more useful and thus more attractive to the state organizations.
- * Splinter groups continue to develop from time to time. The average life of these groups has been about ten (10) years. They have historically lacked any sustaining impact, and have eventually returned to the parent organization. However, negotiation and concession were frequently part of the reassimilation process.
- * A major factor in the success of the certification program is the requirement in each state that an individual must be certified by the state CPA organization in order to obtain a license to establish and conduct a public accounting business.
- * Another major factor in the success of the national and state CPA organizations is the full and careful attention given to education, professional development and training. For example, AICPA devotes about forty-five percent (45%) of its annual budget to continuing education.
- * The AICPA is on generally good terms with all the other national professional accounting associations.
- * In regard to the National Society of Public Accountants, AICPA policy is somewhat more fixed. NSPA is attempting to convince state legislatures throughout the nation that there should be a second license for public accounting practice which would be based on qualification by NSPA. This license would be somewhat less than the present CPA license arrangement in terms of practices which may be carried out in the course of the public accounting work. The AICPA thinks the present CPA/license system is adequate.

Figure 5.

3. *Success in gaining, in each state, legislative recognition of the association's certification to the extent that public accountants must be licensed to do business in the state and that a certification from the state CPA association is a legal requirement prior to acquisition of such a license.*
4. *Success in gaining recognition of the premise that accounting in general and public accounting as a special discipline are valid and necessary subjects of instruction by institutions of higher learning throughout the nation.*

It seems reasonable to conclude that the success in gaining the important recognition described in factors 3 and 4 above was aided substantially by the basic role of the accounting practitioners described in factor 1. Once this recognition was gained, it, in turn, functioned to reinforce and enhance the practitioner's role.

Applying these points to the NIGP produces the following analysis.

1. The major factor was the gradual acceptance of the standards of practice developed and promoted by AICPA. This generated uniformity and filled an important business sector need.

NIGP has developed, and to some extent promoted, highly professional standards of practice and ethics. This body of knowledge is generally in agreement with the professional practices position of other national professional purchasing associations.

Gradual is a significant word in the above statement. Although it is not an exact time frame it takes into account the inter- and intra-organizational difficulties in setting standards of any kind. In addition we were unable to assess the progress made by AICPA at the thirty (30) year mark in its eighty-eight (88) year history.

Even so, a major difference is that AICPA standards of practice have been extensively and minutely articulated in a formal published manner so that this body of knowledge is readily available to all practitioners, students, and society in general. The NIGP standards of practice have not yet been fully assembled in one place, organized, formally and fully articulated or published (e.g., there is presently no basic reference text on local governmental purchasing). The body of knowledge in this instance is fragmented and not readily available. Because there is no tangible, definitive focal point for the effort, the promotion of standard practice extremely difficult.

Further professionalization of purchasing requires that the above condition be remedied by clearly defining the body of knowledge related

* Those unfamiliar with the NIGP are referred to *At Your Service* available from National Institute of Governmental Purchasing, 1001 Connecticut Ave. N.W., Washington, D.C., or to the material reproduced as Paper 5 in the background documentation.

to governmental purchasing and formally articulating current and new standards of practice. This is a large piece of work. Perhaps the best first step for NIGP is to develop and establish an organizational structure with which to begin the job.

2. The national organizational structure permits locally oriented state associations considerable latitude for action. Individual memberships are an important and positive factor in this structure.

NIGP at present has a highly centralized organizational structure which causes it to appear more remote from a large portion of practitioners than it should be. The jurisdictional/agency head representative membership structure further aggravates this situation.

Assuming that the best alternative for the professionalization of purchasing is improving individual performance, and the best generator of improved performance is the national professional purchasing association, such distancing is quite undesirable.

NIGP has within its present membership, professional practitioners in every geographic area of the United States and Canada. Many of these practitioners are founders and/or prime movers of local or state associations of governmental purchasing. These local associations are not affiliated with NIGP, nor is it suggested here that they so affiliate. They are mentioned to suggest that the ingredients for a more regionalized NIGP structure are present. A correlative consideration is membership in NIGP.

Changes in current NIGP structure to establish policy for and implementation of state or regional organizations, and include some provision for individual membership dues in the total dues system, would increase the organization's ability to develop its professionalization efforts.

3. The public acceptance of the importance of Certified Public Accountants has been vital to the growth and health of AICPA and the state CPA associations.

Although the discussion of categories of professions, the role of the purchasing executive and improving individual performance have touched the fringes of the public acceptance of the importance of the purchasing profession, it nonetheless seems reasonable to conclude that professional purchasing is hardly a household word. Purchasing has been and is a low profile profession.

Glamour and public approval are not essential ingredients in the work of professional purchasing practitioners, nor is there any tendency of this group to seek the same. The critical groups are higher management, legislatures, and the sales, engineering, research segments of private enterprise. Recognition here helps.

One negative connotation of the present low profile is that it functions as one of the inhibitors of the establishment of sound and comprehensive undergraduate and graduate courses in colleges and universities. At the present time the positive and creative aspects of a career in professional purchasing are not well enough known nor widely enough known to generate any measurable demand for courses from students, industry or government.

This condition needs correction. A professional purchasing career information program should be developed and vigorously applied to both institutions of higher learning and the students and prospective students of these institutions.

Such a program is logically and appropriately the task of the national professional associations and would be most effectively accomplished through a cooperative, cohensive effort of all such associations. This report will be given to the NIGP Board and Staff and will hopefully serve as a focus for discussion of future initiative.

THE UNMET SERVICE NEEDS OF THE PURCHASING PROFESSION

While certification and training related to certification are integral to professionalization, the provision of services and continuing education is of almost equal importance. This topic was evaluated in two separate surveys: *An Innovation Survey of NIGP Membership** and the *National Institute of Governmental Purchasing Survey as Technical Assistance Alternatives.***

The first of these surveys was designed to verify the conclusions of the prior study on general areas for support and development: the second complemented the first by gathering data on the need for specific service programs and preferred service.

The Innovation Survey of NIGP Membership+

This questionnaire contained topics which were either directly or indirectly related to the 'purchase of innovation' and to the procedures for accomplishing such purchases. Since the purchase of 'innovation' or anything else requires some basic ongoing concerns, outlooks, policies and techniques, the responses here give some broader insights to needs for enhancement of individual performance and thus for professionalization.

* See Appendix A for a copy of the questionnaire.

** See Appendix B for a copy of the questionnaire.

+ About 750 respondents.

The questionnaire asks the primary question "SHOULD THIS TOPIC BE INCLUDED IN FUTURE NIGP PROGRAMS?", followed by thirty one (31) topic statements. Respondants were asked to answer the 'inclusion' question for each topic. Choices of response were'

- 0 = No opinion
- 1 = Definitely Not
- 2 = Perhaps - It might be useful
- 3 = Yes - It would be useful
- 4 = Definitely Yes - Serious need for this information exists

The results are summarized in Tables 3 and 4. Table 3 provides a rank tabulation of the items selected for investigation and Table 4 relates the responses to the recommendations developed in the course of the prior study.

A Summary of the Responses to
The Innovation Survey of NIGP Membership

| <u>Rank</u> | <u>Topic</u> | <u>Response Percentage</u> | |
|-------------------------|---|--------------------------------|-------------------|
| | | <u>Yes</u> | <u>No-Perhaps</u> |
| <i>Highly Desirable</i> | | | |
| 1. | Approaches to cooperative purchasing | 92.0 | 8.0 |
| 2. | Increasing professionalism in purchasing | 90.5 | 9.5 |
| 3. | Development of common specifications | 87.3 | 12.7 |
| 4. | Improving the image of the municipal market | 82.5 | 17.5 |
| 5. | Approaches to joint purchasing | 82.5 | 17.5 |
| 6. | Methods of experimentation in purchasing products, - methods and procedures | 82.5 | 17.5 |
| 7. | Approaches to cooperative testing | 81.0 | 19.0 |
| 8. | How to increase the number of responses to bid requests | 80.9 | 19.1 |
| 9. | The Federal Government services and resources to aid technological innovation | 80.0 | 19.1 |
| 10. | Development of Federal specifications to aid in converting from "low bid" to "low cost" procurement | 79.4 | 20.6 |
| 11. | Methods of evaluating governmental needs for products, methods and procedures | 76.2 | 23.8 |

Table 3

| <u>Rank</u> | <u>Topic</u> | <u>Response Percentage</u> | |
|-----------------------------|---|----------------------------|-------------------|
| | | <u>Yes</u> | <u>No-Perhaps</u> |
| 12. | Elimination of unrealistically low fixed dollar limits on advertised or open bids | 76.1 | 23.9 |
| 13. | Development of uniform procurement regulations | 74.6 | 25.4 |
| 14. | How to improve communication between government and industry | 76.6 | 25.4 |
| 15. | New products with potential municipal applications | 74.6 | 25.4 |
| 16. | Vendor qualification programs | 73.0 | 27.0 |
| 17. | Development of target specifications | 69.9 | 30.1 |
| 18. | Role of purchasing-related organizations and associations | 69.8 | 30.2 |
| 19. | Methods of coordination between purchasing and other municipal functions | 68.3 | 31.7 |
| 20. | The organization of buyer-vendor seminars | 61.9 | 38.1 |
| <i>Marginally Desirable</i> | | | |
| 21. | Market aggregation techniques in governmental purchasing | 57.1 | 42.9 |
| 22. | The voluntary standards system | 54.0 | 46.0 |
| 23. | Assessing the potential impact of innovations | 52.4 | 47.6 |
| 24. | Major investment in technologies for long term governmental savings | 50.8 | 49.2 |
| 25. | Wider publication of bids | 49.2 | 50.8 |
| 26. | How to contract for research and development for meeting municipal needs | 47.6 | 52.4 |
| 27. | The role of trade associations in municipal purchasing | 42.9 | 57.1 |
| 28. | Utilizing the capital budget for the purchase of technological innovation | 38.3 | 61.7 |
| 29. | Using the operating budget for purchase of technological innovation | 38.1 | 61.9 |
| 30. | Fiscal methods for reducing risks of purchasing technological innovation | 33.4 | 66.6 |
| 31. | Use of venture capital market for the purchase of innovation | 22.3 | 77.8 |

Table 3
(Continued)

Table 4

The NIGP Membership's Evaluation of the Prior Recommendations

F-3431

| RECOMMENDATIONS FROM THE REPORT ON PHASE I | Questionnaire items related to the Phase I Recommendations listed by rank* | RESPONSE DATA | | |
|---|--|----------------------|--|----------|
| | | Averaged Percentages | Desirability Ratio (Yes to No-Perhaps) | |
| | | Yes | No-Perhaps | |
| 1. Support for experiments in market aggregation which would include but not be limited to cooperative purchasing, coordinated purchasing, joint purchasing, the wider publication of bids through regional commerce business dailies, joint purchase of services, common specifications, etc. The mechanism will probably vary with the commodity and service. | 1, 3, 5, 7, 8, 21, 25. | 75.7 | 24.3 | 3 to 1 |
| 2. The encouragement of uniform procurement regulations and the abolition of such anachronisms as fixed dollar limits, unadjusted for inflation, that dictate when a bid should be advertised. | 6, 12, 13, 24, 28, 29 | 60.0 | 40.0 | 1.5 to 1 |
| 3. The development, at the federal level, of a continuous source of up-to-date specifications that eliminate needless complexities and convert low-bid to low-cost purchasing whenever possible. | 9, 10, 17, 22 | 71.0 | 29.0 | 2.4 to 1 |
| 4. The encouragement of the purchase of services - with proper safeguards - as a means of purchasing innovation. | 11, 26, 30, 31. | 44.8 | 55.2 | .8 to 1 |
| 5. The encouragement of informal and formal inter-actions with private sector firms through mechanisms such as the buyer/vendor seminar and vendor qualification programs. | 4, 14, 16, 20. | 73.0 | 27.0 | 2.5 to 1 |
| 6. The encouragement and support of the National Institute of Governmental Purchasing or a similar body as a broad-based multi-service organization to bring a greater professionalism to local government procurement - thereby increasing technological sensitivity - and to serve as a primary channel for technical information specification needs and revisions, innovation needs and market aggregation efforts. | 2, 15, 18, 19, 23, 29 | 66.4 | 33.6 | 2 to 1 |

The responses indicate a continuing concern about day to day, in-house activities, which re-enforces this report's emphasis on individual performance and its direct or indirect improvement. While there is concern about good business relationships and good working relationships with the industrial and commercial firms which supply the jurisdictions' needs, it is believed that current widespread shortages of materials and supplies and the resultant "seller's market" gave this response area a higher priority.

Federal assistance, particularly in technical areas (Table 4, items 1, 3 and 5) considerable favor and professionalization and professional activity received a strong but lower priority response than the preceding topic areas. In this latter instance the topic was presented in rather general terms and the lack of specific professionalization examples and programs affected response to some degree.

The National Institute of Governmental Purchasing Survey on Technical Assistance Alternatives*

This survey was designed to elicit preference responses from purchasing officials on selected forms of technical assistance which might be available in the future.

A profile of respondents shows:

1. Over ninety percent (90%) of those responding were full time public purchasing executives or managers.
2. Over one half of the respondents worked for cities, with the remainder working for school boards and counties in about equal number.
3. All respondents purchased goods and services in the operating budget expenditure category and, over seventy five percent (75%) also made purchases in the capital and/or educational categories.
4. The average number of purchasing organization employees was between 11 and 20, with heavy groupings in the 2 to 5 and over 50 categories.
5. Most respondents spent an average of \$20,000,000. in operating funds and well over \$30,000,000. in capital funds for their jurisdiction.
6. In terms of in-house activity, the respondents had the following annual averages

* Same sample and response as preceding survey.

| | |
|---------------------|--------|
| Contracts | 1,104 |
| Purchase Categories | 382 |
| Purchase Orders | 18,500 |
| Responses to Bids | 5 |

Seven (7) technical assistance alternatives were explored in the questionnaire. They were:

1. Automated Information System
2. Seminar Training Program
3. Direct Technical Assistance
4. Purchasing Consultant Services
5. Technical Assistance Magazine
6. Industry-Oriented Program
7. Model Purchasing Forms, Procedures and Department Organization

The preferences of the respondents related to these alternatives are summarized in the following sub-sections, the last of which is an over-all comparison

Automated Information System: A computerized system that would provide on request data on standards and specifications for products and services, and information on non-standard services. This would be linked directly to your office via telephone operators and/or a teletype terminal at no cost to you.

1. Over ninety five percent (95%) of respondents would prefer that the information they request about products be in writing as opposed to oral responses.
2. In selecting product information which would be available through an automated information system:
 - * Over fifty percent (50%) preferred detailed descriptions of all competitive products
 - * The next most preferred type of information (25%) was a list of specific manufacturers who produced a product along with detailed information to aid in product comparison
3. Respondents preferred a system related to operating budget items as opposed to one related to capital budget items. This preference was in a ratio of 2 to 1.
4. The preference ratio rose to 3 to 1 when a choice between standard and non-standard system content was made.

5. In selection of information relating to specifications within an automated system, preferences were equal for:
 - * A set of standard specifications
 - * A complete list of specification parameters for use in writing jurisdictional specifications
6. In a ratio of 4 to 1 respondents would prefer the system to be product related as opposed to provision of information on services.
7. Respondents indicated that one half of the inquiries to the system would require same day response. A maximum responsive period of three weeks would suffice for the remaining half of the inquiries made.
8. Ninety eight percent (98%) of the respondents are not now using any type of automated product - specification system.

Seminar and Training Program: A series of basic, intermediate and advanced seminars and training programs on purchasing. These would be designed for persons with varying levels of experience and training in purchasing and would be conducted at several centers throughout the country. They would take approximately one week each.

1. Slightly over fifty percent (50%) of the respondent organizations never sponsor in-house seminars on purchasing. Thirty five percent (35%) of the remaining respondents sponsor such seminars only occasionally.
2. About sixty percent (60%) of the respondent organizations sponsor an educational aid plan related to a purchasing career. The remaining forty percent (40%) do not.
3. If an educational aid to career plan were widely offered and available, eighty eight percent (88%) of the respondent organizations would provide one week's paid leave and transportation costs for all attendees.
4. Ninety-two percent (92%) of all respondents indicated that endorsement by the National Institute of Governmental Purchasing would make courses more attractive to them.
5. A course length of one week was felt to be about right by three (3) of every four (4) respondents. The rest felt that a week was too long.

6. In choosing between seminar and correspondence course presentation method, the vast majority of respondents preferred the seminar format.
7. Stressing the individual performance factor in evaluating the usefulness of training seminars, the practitioners responded as follows;

| <i>Ways Seminars Would Help</i> | <i>Percentage of Response</i> | |
|--|-------------------------------|-----------|
| | <i>YES</i> | <i>NO</i> |
| <i>It would help you in performing specific tasks in purchasing more efficiently and effectively</i> | 96.9 | 3.1 |
| <i>It might lead to a salary increase</i> | 35.4 | 64.6 |
| <i>It might lead to additional responsibilities and/or promotion</i> | 55.4 | 44.6 |

8. Primary responsibility for development and presentation of training seminars was felt to be best placed with a combination of university professors and experienced public purchasing officers. There was also some desire to include experienced public officials in fields other than purchasing - as minority participants.

Industrial participation in the seminars was favored by seventy five percent (75%) of the respondents.

Two (2) out of every three (3) respondents favored a system of salaries and promotions tied in closely with the seminar training program.

Direct Technical Assistance: A service available to your office to assist with particularly difficult technical problems associated with purchasing. Services would include the writing of complex specifications, providing engineering and technical evaluations, as well as the actual purchase of hard-to-get items and services.

1. About fifty percent (50%) of the responding jurisdictions contract out some technical work (e.g., specification writing, engineering evaluation, and testing) and forty-five percent (45%) do not.
2. Sixty-five percent (65%) of the respondents felt direct technical assistance as described above could be adequately provided by mail and telephone.

Technical Assistance Magazine: A publication providing the latest product and service information available as well as articles on sources of technical and financial assistance for purchasing activities.

1. The publications most relied on by the respondents for information concerning purchasing activities, in order of their importance are;

The NIGP Newsletter

Government Product-News

Journal of Purchasing

Purchasing (National Association of Purchasing Management - Regional)

2. Summarized majority response from participants provided the evaluation of the NIGP Newsletter as follows;

| | |
|------------------------------|----------------------|
| Form and Readability | Very Good to Average |
| Use of Pictures and Diagrams | Poor |
| Indexing | Average |
| Level of Technical Detail | Average |
| Frequency of Publication | Average to Poor |

3. None of the respondents felt that any of the current purchasing related publications filled their need as well as could be done. Averaged evaluations of specified areas wherein such publications are currently providing help are;

| | |
|--|------------------|
| Descriptions of new products | Adequate |
| Discussions of legal aspects of purchasing | Adequate |
| Feature articles on unique or outstanding purchasing offices | Poor |
| New techniques in purchasing | Poor to Adequate |
| Specification writing pointers | Poor |
| Improving relations with vendors | Poor |

4. About half the respondents indicated a willingness to write articles for a purchasing newsletter.
5. If a new purchasing oriented publication were to become available, respondents would prefer it to be a
 - a broad focus (Government. Finance, Management),
 - technically oriented,
 - multi-topic issue, publication

3. Frequency of need for the above service was estimated at an average of six (6) to ten (10) times a year.
4. In regard to use of direct technical assistance on a free as opposed to nominal charge basis, respondents preferred free assistance in the following questionnaire categories.

| <i>Assistance Areas</i> | <i>Percent That Would Use</i> | |
|---|-------------------------------------|--|
| | <i>on a No Charge Basis</i> | <i>on a Nominal Charge Basis</i> |
| <i>Writing Complex Bid Specifications</i> | 92.3 | 47.7 |
| <i>Providing engineering and technical evaluations of proposals</i> | 67.7 | 43.1 |
| <i>Purchase of Hard-to-get items and services</i> | 61.5 | 36.9 |

5. Respondents rejected (2 to 2) the idea of an annual service contract for the above technical assistance - even if it specified in general the amount and level of service support.
6. The average reasonable lead time for delivery of the types of technical assistance noted above was set by the respondents at three (3) weeks.

Purchasing Consultant Services: Highly trained government and business consultants would be available at your request to perform such tasks as troubleshooting on specific problem areas or helping to restructure your entire operation.

1. About seventy five percent (75%) of the respondents have not brought in outside consultants to assist them in the past five (5) years. Twenty five percent (25%) have done so.
2. The vast majority (61%) of the respondents would use a consultant only on a no charge basis. The remaining respondents (39%) would be willing to pay competitive rates for consulting services.
3. Most (63%) respondents felt that they would use consultant services from time to time. Another thirty percent (30%) envisioned a one-shot use of consultant services.
4. Respondents felt that Management - Engineering - and Organizational Development skills (in that order) were very important for any consultant that they would use.

Industry-Oriented Programs: Programs that would be designed to direct industry's attention to the market needs of state and local governments. This could take the form of a federal or state office that would publicize your specific requirements plus the potential advantages of doing business with your office in similar cases.

1. Two (2) out of every three (3) respondent organizations do not have an individual whose primary responsibility is to publicize bid requests.
2. In publicizing bid requests, respondents -
 Frequently use public advertisement for goods and services through newspapers and specialized publications
 Occasionally use telephone calls to prospective bidders
 Never or rarely use personal contact with prospective bidders
3. Eighty six percent (86%) of the respondents would be willing to pay only a nominal fee for industry-oriented programs, and five percent (5%) would be willing to pay competitive rates.
4. The vast majority of respondents felt industry-oriented programs would be highly desirable if a thirty percent (30%) increase in bids received would be a program result.
5. Respondents felt improved relations with private industry were more important in the operating budget area than in the capital budget area by a ratio of 3 to 1.
6. Seventy-two percent (72%) of the responding jurisdictions do not have a brochure which could be used to improve relations with industry.
7. To improve industry relations, respondents felt that an information campaign including articles about specific governmental needs, aimed at the media and appropriate industry publications, would be vastly more valuable and effective than mail or person-to-person campaigns.

Model Purchasing Forms, Procedures and Departmental Organization: A government-provided package that would contain recommended forms, guidelines, and organizational structure for a model local purchasing office. These would be designed to meet the needs of offices of differing sizes and range of activities.

1. Three (3) out of every four (4) respondents felt that their individual performance, and their departmental organization in general, would benefit from a system of model purchasing forms organized along the lines described above.

2. However, three (3) out of four (4) respondents would only be willing to pay no more than a nominal fee for such a system. Payment of competitive rates or cost sharing were not found to be particularly desirable.
3. Seven (7) out of every eight (8) respondents felt it would be worthwhile for the government to sponsor pilot projects which would implement model systems in various local jurisdictions throughout the nation.
4. In developing model purchasing office procedures, respondents gave the following ranking and rating of importance to areas for inclusion in the development work;

| Area | Importance |
|--|------------|
| The organizational relationship and communication between operating departments and the purchasing department. | High |
| Procedures for writing specifications, advertisements for bids, contracts, etc. | High |
| Communication between members of the purchasing department | High |
| Model enabling legislation to allow for changes in purchasing operation | High |
| Standards of performance in purchasing | High |
| The physical layout of the department | Moderate |
| Salaries and other incentive systems | Slight |

Overall Comparisons: In conclusion, all respondents were asked to provide their evaluation of each technical assistance alternative in terms of;

1. their desire to use the service, and
2. benefit of the service to the purchasing profession

The evaluation was as follows:

| Program | Over- all Rank- ing | Personal Use | | Professional Benefit | |
|---|------------------------------|-------------------------|----------------------------------|------------------------|-----------------------------------|
| | | Strong Desire (%) | Little or No Desire (%) | High Benefit (%) | Little or No Benefit (%) |
| <i>Automated Information System</i> | 1 | 81 | 19 | 83 | 17 |
| <i>Seminar and Training Program</i> | 2 | 75 | 25 | 80 | 20 |
| <i>Model Purchasing Forms, Procedures and Departmental Organization</i> | 3 | 62 | 38 | 70 | 30 |
| <i>Direct Technical Assistance</i> | 4 | 48 | 52 | 63 | 37 |
| <i>Technical Assistance Magazine</i> | 5 | 58 | 42 | 61 | 39 |
| <i>Purchasing Consultant Service</i> | 6 | 34 | 66 | 46 | 54 |
| <i>Industry-Oriented Programs</i> | 7 | 31 | 69 | 49 | 51 |

Quite obviously the respondents felt that the service alternatives which were most desirable for personal use were also most beneficial to the profession: a relationship which was consistent down through the least desirable alternative.

In conclusion there is once again a decisive emphasis on service alternatives which have the most direct and immediate effect on improving individual performance. On the one hand, the slightly higher percentages given to "benefit to the profession" evaluations indicate an opinion that other jurisdictions may need a little more help than the one making the evaluation. On the other hand, the congruence of the evaluations of personal and professional benefit potential reinforces the premise that the best route to professionalization of purchasing is through the improvement of individual performance.

3. A RECOMMENDED COURSE OF ACTION FOR USING THE PROFESSIONALIZATION OF PURCHASING AS A BASIS FOR THE DEVELOPMENT OF THE LOCAL GOVERNMENT MARKET

In this discussion of findings and conclusions of both the current and prior studies, reference should be made to Figure 6. This chart has two basic parts. Findings and conclusions are represented on the left hand side of the long vertical "programs" line and in the "Description of Blockages" section. Recommendations for development are represented by individual program boxes to the right of the "programs" line.

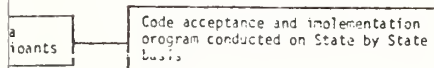
Although in examining the transfer of technology to local governments it is immediately obvious that there are more blockages than useful mechanisms for the process, an analysis of local governmental organizational structures indicates that the purchasing function (circle on chart) is the best potential point for technological in-put. This function:

- (1) Already has a centralized store of knowledge about jurisdiction needs for, and uses of innovative and incremental technology,
- (2) Has extensive day to day contacts with a wide range of industrial and service firms,
- (3) Has extensive day to day contact with all agencies in its jurisdiction, and
- (4) Is generally the best functional match with the desired transfer process.

Unfortunately the diversity of local purchasing laws and the wide range in roles, status and impacts of purchasing agencies within the local jurisdictions impedes any attempt to begin at the local level and work up. In order to develop a mechanism which would overcome this "local" blockage, maximum use must be made of the national professional organizations which represent purchasing agencies and their practitioners.

For local government officials, the obvious choice is the National Institute of Governmental Purchasing. This group is the best qualified, has the highest potential for success and could potentially assume a leadership position in this effort.

This recommendation is made with full recognition of the fact that individually and as a group the national professional purchasing organizations presently lack the financial and manpower resources and the national



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hout the Nation

DESCRIPTION OF BLOCKAGES

- ① a. Direct transfer of governmental products to local government is concerned Federal Agencies and

cation program
nclude State
professional
and non-
tions

- ② a. There is poor definition of local improved items and systems using
- b. There is a highly fractured state using law, rules, and customs
- c. There is an unwillingness to invest search and development for unine
- d. There is an unwillingness to do aggregation work

onal materials
professional needs

- ③ a. There is currently a lack of st will allow the use of these ins

Information assembly
and analysis

Information organization
and retrieval system

Commodity and system
research service

- ④ a. There is a lack of accurate nee by most local governments
- b. There is a lack of technological sophistication within most local
- c. There is a lack of tax based re term cost/beneficial acquisition
- d. Local government's general lack mitigates against market and
- e. Local government's top management priorities and objectives which t than technological improvement and equipment

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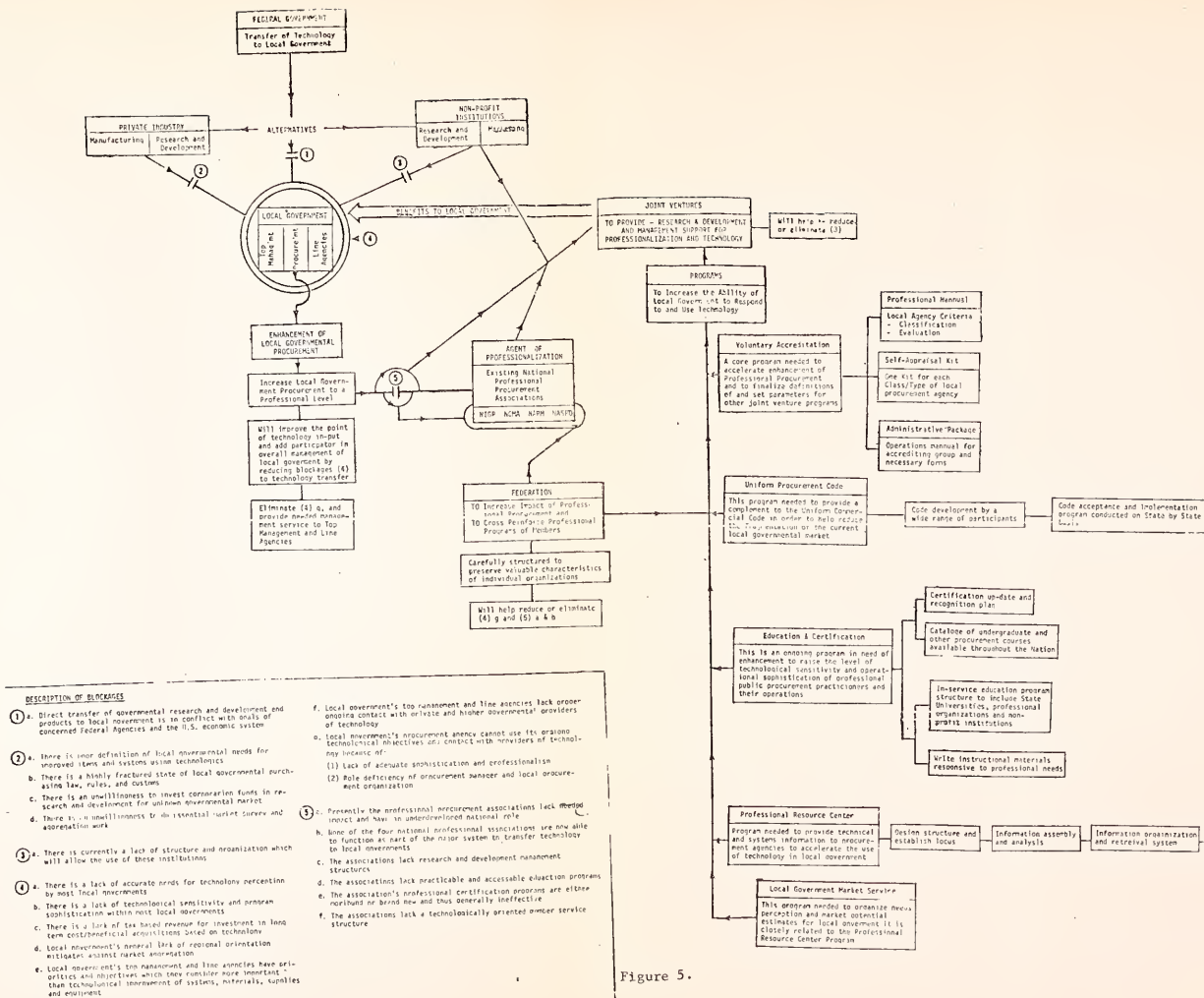


Figure 5.

status and role to successfully implement and maintain a professionalization effort within any reasonable period of time. For this reason the "joint venture" model is recommended as an initial support mechanism.

Early in the conduct of this project a working relationship was established between the National Institute of Governmental Purchasing and the Franklin Institute Research Laboratories. This working relationship, while an important part of the project, suggested the prototype for "joint venture" activities. "Joint ventures", involving as they do the structured use of professional purchasing association skills and knowledge supplemented by the skills, manpower, and resources of non-profit research organizations, appear to be a practicable way of reducing fiscal and manpower blockages to technology transfer work by national professional procurement organizations. "Joint ventures" are not considered a permanent mechanism, for it is hoped that the programs for enhancement recommended below will be successful enough to enable the national professional purchasing organizations to take the initiative. In no case is it recommended that federal funding be sought or supplied for any purpose but start up costs and perhaps feasibility studies.

SUMMARY OF RECOMMENDATIONS

The *first* and basic recommendation to be made is that the professionalization work be on a program oriented basis.

At this time there appear to be six major programs which will contribute to the mutually supportive objectives of technology transfer and increased professionalization. It is not possible or practical to undertake all six programs simultaneously. There is a need for setting priorities on the programs and scheduling the start up point for each. For this reason the results from the technical assistance alternatives questionnaire to NIGP members was presented in the preceding section.

The *second* recommendation then, is that programs listed below be reviewed in depth by NIGP, and

The *third* recommendation is that work begin on the programs in accordance with the priority consensus and the dimensions of the respective programs.

The component programs recommended for the implementation of a comprehensive technology transfer/professionalization are:

- Federation
- Voluntary Accreditation
- Uniform Procurement Code
- Education and Certification
- Professional Resource Center
- Local Government Market Center

As noted above descriptions of the programs and their major components are to be found in Figure 7 to the right of the "programs" line. Additional descriptive and planning information is given below.

It is expected that some work can be done on all of the following programs, but that emphasis should be placed on the two or three programs with the highest perceived priorities.

Federation

The objective of this program is to structure a loosely knit "umbrella" organization composed of a wide range of professional organizations concerned with purchasing. This type of organization would be designed to facilitate cooperative action, thus increasing the impact of professional purchasing and to cross reinforce the programs of member organizations. Under the proposed structure, individual participating organizations would remain as independent as they presently are.

There are a great many basic similarities in the objectives and programs of the organizations which would logically be involved in the federation. Recognition of these similarities and some reduction of competition would strengthen the programs of all participating organizations. Federation and/or cooperative action would also significantly accelerate and improve work on all of the following programs.

As part of the current project FIRL has developed a federation proposal. This was presented to the NIGP Board of Directors for evaluation. Response to date has been mixed and the proposal is still under consideration.

Work on this program will include obtaining a favorable NIGP response to the proposal, contacting other professional organizations (e.g., National Association of State Purchasing Officials, National Contract Managers Association, National Association of Purchasing Managers and National Association of Educational Buyers) to ascertain their level of acceptance and interest, and upon assurance of a favorable consensus, drafting proposed "articles of federation".

Voluntary Accreditation

This project is directed principally at local governmental jurisdictions. Its objectives include:

- (1) Establishment of standards for local purchasing policy and operations.
- (2) Stimulating a very large number of local jurisdictions to think about and appraise their purchasing operations.
- (3) Providing a means of giving substantial recognition to jurisdictions and managers meeting established standards in part or as a whole as a means of increasing the role and stature of local practitioners.

- (4) Providing a means of self evaluation and basis for developing of a plan for improvement by elimination of deficiencies found.
- (5) Providing method by which a local purchasing manager can objectively transmit needs for professionalization and operational improvement to his top management.
- (6) Providing the national professional purchasing organization which operates the program with continuing information on local needs for professionalization (e.g., training, technical information, model legislation, procurement methods) so that national programs can be more responsive to actual needs.

There are ample precedents and experience to guide this program. The American Correctional Association has developed a "Plan for Establishment of Accreditation". The American Water Works Association has also undertaken an accreditation program.

It is expected that work on this project will draw heavily on the organization and task format of the recent request for proposal from the U.S. Department of Health, Education and Welfare entitled, "Development of a Voluntary Accreditation System for Occupational Safety and Health Programs in Industry". This HEW project will cover a three year period and is aimed at some 4,000,000 workplaces. The proposed procurement program is aimed at approximately 80,000 local jurisdictions; however, the nature of the work involved, and the projected tasks indicate that despite the smaller "clientelle" time to completion or readiness for implementation will take several years.

After a thorough examination of current accreditation plans, the majority of the program's efforts would be devoted to establishing proposed and then final standards for local purchasing policy and operations and gaining a favorable consensus from appropriate national professional purchasing organizations. A complementary effort would be the development of profile information on local governmental purchasing organizations (e.g., full or part time manager, budget, number of employees, classes and volumes of purchases) and the use of this information to establish classes of agencies and class standards.

Implementation would follow upon the publication of a master accreditation rating manual; the development of a self-appraisal kit and instructions' the design of a request for the kit and sundry forms and award certificates; and the design of an implementation procedure.

Uniform Procurement Code

This program is to fill the need for the reduction in the vast number and varieties of local legislation concerning the acquisition of goods and services. The code proposed would complement the Uniform Commercial Code, would be patterned after the UCC in terms of development and implementation

and would hopefully have the same unifying effects. A Uniform Procurement Code would help to promote a national commercial situation in which the market aggregation needed for the purchase of innovative technology would be made easier to achieve. It would also assist local government by:

- (1) Upgrading local purchasing law in many instances, and
- (2) Providing industry with a basic set of ground rules - thus encouraging more participation in local government bids.

This program would begin with an in-depth study of the history and methods related to the establishment of the Uniform Commercial Code designed to find transferable methodology and to understand potential difficulties. Since the result of this program work depends on legislative action, either state by state or federal, it seems logical and prudent to involve all identifiable interest groups as early as possible. Some of the organizations which should be interviewed to verify need for a Uniform Procurement Code, ascertain degree of assistance or contribution to be given, and establish method for group's in-put to content and format are:

National Institute of Governmental Purchasing
 American Society for Testing and Materials
 National Association of State Purchasing Officials
 National Contract Managers Association
 National Association of Purchasing Management
 American Bar Association
 National Institute of Municipal Law Officers
 Municipal Finance Officers Association
 National Association of Manufacturers
 International City Managers Association
 National League of Cities
 Council of State Governments
 American Management Association

The results of the above work would then be documented through the publication of a consensus or comparative position papers. If the prevailing consensus is clearly negative, work should shift to recontacting the above organizations to elicit suggestions and recommendations for reducing the current problems found with local procurement laws. A positive consensus would call for work to be done in gathering and classifying content and format. After the initial classification and evaluation of information was completed, codification would be required and a plan for implementation would be designed. Actual implementation work would have to be done by NIGP and/or other concerned organizations.

This is essentially an on-going effort whose implementation would require a decade's work.

Education and Certification

As implied by its title, this program is composed of two interrelated parts. The education part of the program has as its objective the establishment of methodology and materials for providing practical, low cost, locally sited in-service education for procurement practitioners from all levels of government. The certification part of the program is aimed at increasing practitioner interest and participation in the established certification program and at determining actions needed to increase the general recognition of the certifications awarded.

Since considerable work has been done by NIGP and other organizations on both parts of this program, the program's basic reference points would be:

- (1) the NIGP Certification Plan for CPPO's, and
- (2) the seminar series now being developed by the LBJ School of Public Affairs at the University of Texas.

The certification work should include a comparative analysis of all present professional purchasing certification plans - including requirements, administrative procedure, history of participation and perceived blockages to participation - and attitudinal studies of certified, uncertified/eligible - and uncertified/ineligible practitioners. Of some importance will be a study and evaluation of the immediate and future impact of Equal Employment Opportunity legislation and EEO Commission rules and regulations on the existing certification plans in the purchasing field. The positions of certifying professional purchasing organizations on cross-recognition should also be studied. The end result of the work on this program is expected to be recommended modifications needed to the NIGP Certification Plan to make it more universal, more widely recognized and to generate increased participation.

One of the major efforts in the certification part of the work is the compilation of a catalog of all types of purchasing courses available throughout the nation. This work could well be done under the direction of Dr. Harry Page, Chairman of the School of Business and Public Administration, George Washington University. Dr. Page has been instrumental in the development of the NIGP Certification Plan and has earlier indicated a need for and an interest in doing the purchasing course catalog work. Provision of this catalog to purchasing practitioners should enhance participation in the certification program by locating for them either nearby or home study courses which will contribute to their eligibility as well as to their competence and performance.

The current seminars being developed by NIGP and the University of Texas appear to be the best potential method of providing professional organization sponsored education on a local, low cost basis. Work in the education area of the program will therefore concentrate on studying the Texas effort to identify successes, difficulties, and transferable methodologies. The results of this work should be an educational package which can be presented to other state universities and funding agencies for implementation. Of particular importance in the work to be done are:

- (1) the determination of the need for standard text material or course coverage items in the package. If such text material should be included a major sub-program will have to be structured and carried out.
- (2) the feasibility of meeting entirely or in part the training and education needs delineated by the Commission on Government Procurement for federal procurement employees as part of the educational package to be developed.

Professional Resource Center

This program would be designed to fill the continuous need of local governmental purchasing practitioners for reliable information on standards and specifications, characteristics of basic materials and manufacturing processes, performance of items and systems, and a wide variety of acquisition techniques. There is an immense amount of this type of information in existence throughout the nation. A great deal of it is needed at some time by most local purchasing operations; however the wide dispersion and great volume needed information makes it unavailable for all practical purposes.

The first effort in this project would be to gather in recommendations for and publish a bibliography of information (e.g., Federal Specification Index, ASTM Glossary of Terms, Artificial Fiber Facts etc.) for use by local purchasing practitioners.

The development of an Index of Local Standards and Specifications would also be a major effort in this program. This Index would contain a short profile of each item so that the user could select those items most useful to him.

Concurrent with the above efforts, a study would be made to provide information and recommendations on the assembly, classification, storage and retrieval of a vast amount of relevant technical and procedural information. The structuring of an organization which could provide needed information to procurement users as quickly as possible would be part of this work. If information is stored centrally, considerable work would be done on retrieval systems to meet the expected demand. If information is to be stored by its producers, work would center on rapid central acquisition and transmittal.

As part of the structuring of a central organization for technical and procedural information work would be done on establishing recommendations for a resource team which would develop specification or systems acquisition plans for individual local procurement organizations - possibly on a less than cost basis.

Local Government Market Center

This program would be designed to provide industrial, commercial and service firms with information on needs for current and innovative technology as expressed by a sizable number of local governments through their procurement managers.

This program is closely connected with the professional resource center program and this "marketing service" may well be part of the larger program. Work on this program involves developing survey methods, information analysis methods, information distribution system(s), and central organizational structure.



Appendix
A



**innovation
survey
of
NIGP
membership**

OMB No. 41-S73014

Approval Expires

September 30, 1974

A

What is your own primary area of involvement in purchasing:

Percentage of Respondents

- 7.7 1. Purchasing Officer — purchasing is your main activity
- 92.3 2. Governmental Official — purchasing is one of many activities.

B

Your title:

Percentage of Respondents

- 2.0 1. General (i.e. Mayor/Selectman/Chairman/Manager/Supervisor . . .)
- 2.0 2. Operational (i.e. Chief of Police/Police Officer/Fire Chief/Hospital Administrator/Educational Administrator . . .)
- 2.0 3. Financial (i.e. Finance Officer/Director of Finance/Comptroller . . .)
- 73.0 4. Purchasing Management (i.e. Chief Purchasing Officer/Director of Purchasing/Purchasing Supervisor . . .)
- 21.0 5. Purchasing Staff (i.e. Purchasing Officer/Purchasing Administrator . . .)

C

Type of government you work for:

Percentage of Respondents

- 2.0 1. Federal
- 10.0 2. State
- 21.0 3. County
- 57.0 4. City
- 5.0 5. Borough/Township/Village
- 5.0 6. Other, Do Not Work for Government, etc.

D₁

Categories of purchase in which you are directly involved:

Category Mix - Percentage of Respondents

| | | |
|--------------|-------|------|
| a. Capital | a | 0.0 |
| | b | 5.0 |
| b. Operating | c | 1.5 |
| | a+b | 51.0 |
| c. Education | a+c | 0.0 |
| | b+c | 4.5 |
| | a+b+c | 35.0 |

D₂

Total number of employees in your department involved in purchasing:

Percentage of Respondents

| % | | % |
|------|------------|-----------------|
| 2.0 | a. 1 | e. 21 — 35 9.0 |
| 32.0 | b. 2 — 5 | f. 36 — 50 3.0 |
| 9.0 | c. 6 — 10 | g. Over 50 18.0 |
| 27.0 | d. 11 — 20 | |

AVERAGES

EE.1 Approximate yearly total dollar purchases through your department. 13-22E.2 Approximate total number of purchase contracts per year through your department. 23-28E.3 Approximate total number of purchase categories in your department. 29-32E.4 Approximate total number of items purchased yearly by your department. 33-38E.5 Approximate average number of responses to a bid request issued by your department. 39-41

F The following topics are either directly or indirectly related to the "purchase of innovation" and to procedures for accomplishing such purchases. Please score each topic from 0 to 4 by circling the appropriate number to the right. Use a low score ("1") to indicate that you feel that this topic should be avoided in future programs. Use a high score ("4") to indicate that you feel this topic is important and that it definitely should be included in future programs (by either the NIGP or some government unit). If you have no opinion circle zero. Please respond to each and every topic.

SHOULD THIS TOPIC BE INCLUDED IN FUTURE NIGP PROGRAMS?

| Topic | PERCENTAGE OF RESPONDENTS | | | | | | |
|---|---------------------------|-------------------|------------------------------------|--------------------------------|---|--|----|
| | No Opinion | Definitely Not | Perhaps – It Might Be Useful | Yes – It Would Be Useful | Definitely Yes – Serious Need for Information Exists | | |
| Fiscal methods for reducing risks of purchasing technological innovation. | 0 22.2 | 1 6.3 | 2 38.0 | 3 22.2 | 4 11.3 | | 42 |
| Utilizing the capital budget for the purchase of technological innovation. | 0 17.5 | 1 12.5 | 2 31.7 | 3 28.8 | 4 9.5 | | 43 |
| Use of the venture capital market for the purchase of innovation. | 0 28.6 | 1 20.6 | 2 28.6 | 3 17.4 | 4 4.8 | | 44 |
| Using the operating budget for purchase of technological innovation. | 0 11.1 | 1 14.3 | 2 36.5 | 3 30.2 | 4 7.9 | | 45 |
| The Federal Government's services and resources to aid technological innovation | 0 3.2 | 1 4.8 | 2 11.1 | 3 49.2 | 4 31.7 | | 46 |
| How to increase the number of responses to bid requests. | 0 0.0 | 1 3.2 | 2 15.9 | 3 44.4 | 4 36.5 | | 47 |
| Vendor qualification programs. | 0 1.6 | 1 1.6 | 2 23.8 | 3 39.7 | 4 33.3 | | 48 |
| Major investment in technologies for long term governmental savings. | 0 7.9 | 1 4.8 | 2 36.5 | 3 28.6 | 4 22.2 | | 49 |
| New products with potential municipal applications. | 0 6.3 | 1 1.6 | 2 17.5 | 3 52.4 | 4 22.2 | | 50 |
| Methods of experimentation in purchasing products, methods and procedures. | 0 3.2 | 1 0.0 | 2 14.3 | 3 46.0 | 4 36.5 | | 51 |
| How to improve communication between government and industry. | 0 1.6 | 1 0.0 | 2 23.8 | 3 39.7 | 4 34.9 | | 52 |
| The development of target specifications. | 0 3.2 | 1 1.6 | 2 25.3 | 3 41.3 | 4 28.6 | | 53 |
| Assessing the potential impact of innovations. | 0 4.8 | 1 4.8 | 2 37.7 | 3 38.4 | 4 14.3 | | 54 |
| Methods of evaluating governmental needs for products, methods and procedures | 0 3.2 | 1 0.0 | 2 20.6 | 3 47.6 | 4 28.6 | | 55 |
| Improving the image of the municipal market. | 0 4.8 | 1 0.0 | 2 12.7 | 3 38.1 | 4 44.4 | | 56 |

SHOULD THIS TOPIC BE INCLUDED IN FUTURE NIGP PROGRAMS? (cont'd)

| Topic | PERCENTAGE OF RESPONDENTS | | | | | | | | Definitely Yes— Serious Need for Information Exists | | |
|--|---------------------------|------|-------------------|-----|------------------------------------|------|--------------------------------|------|--|------|----|
| | No Opinion | | Definitely Not | | Perhaps — It Might Be Useful | | Yes — It Would Be Useful | | | | |
| Approaches to <i>cooperative</i> purchasing. | 0 | 3.2 | 1 | 1.6 | 2 | 4.8 | 3 | 52.3 | 4 | 38.1 | 57 |
| Approaches to <i>cooperative</i> testing. | 0 | 1.6 | 1 | 1.6 | 2 | 15.8 | 3 | 50.8 | 4 | 30.2 | 58 |
| Approaches to <i>joint</i> purchasing. | 0 | 4.8 | 1 | 1.6 | 2 | 11.1 | 3 | 47.6 | 4 | 34.9 | 59 |
| Wider publication of bids. | 0 | 1.6 | 1 | 6.3 | 2 | 42.9 | 3 | 34.9 | 4 | 14.3 | 60 |
| Development of common specifications. | 0 | 1.6 | 1 | 1.6 | 2 | 9.5 | 3 | 38.1 | 4 | 49.2 | 61 |
| Development of uniform procurement regulations. | 0 | 3.2 | 1 | 1.6 | 2 | 20.6 | 3 | 28.6 | 4 | 46.0 | 62 |
| Elimination of unrealistically low fixed dollar limits on advertised or open bids. | 0 | 4.8 | 1 | 4.8 | 2 | 14.3 | 3 | 31.7 | 4 | 44.4 | 63 |
| Development of Federal specifications to aid in converting from "low bid" to "low cost" procurement. | 0 | 4.8 | 1 | 3.2 | 2 | 12.6 | 3 | 42.9 | 4 | 36.5 | 64 |
| The organization of buyer-vendor seminars. | 0 | 3.2 | 1 | 1.6 | 2 | 33.3 | 3 | 30.2 | 4 | 31.7 | 65 |
| Increasing professionalism in purchasing. | 0 | 1.6 | 1 | 0.0 | 2 | 7.9 | 3 | 27.0 | 4 | 63.5 | 66 |
| Market aggregation techniques in governmental purchasing. | 0 | 11.1 | 1 | 0.0 | 2 | 31.8 | 3 | 30.2 | 4 | 26.9 | 67 |
| Methods of coordination between purchasing and other municipal functions. | 0 | 6.3 | 1 | 1.6 | 2 | 23.8 | 3 | 42.9 | 4 | 25.4 | 68 |
| How to contract for research and development for meeting municipal needs. | 0 | 7.9 | 1 | 3.2 | 2 | 41.3 | 3 | 28.6 | 4 | 19.0 | 69 |
| The voluntary standards system. | 0 | 6.3 | 1 | 4.8 | 2 | 34.9 | 3 | 36.5 | 4 | 17.5 | 70 |
| The role of trade associations in municipal purchasing. | 0 | 12.7 | 1 | 7.9 | 2 | 36.5 | 3 | 30.2 | 4 | 12.7 | 71 |
| The role of purchasing-related organizations and associations. | 0 | 0.0 | 1 | 0.0 | 2 | 30.2 | 3 | 44.4 | 4 | 25.4 | 72 |

COMMENTS:



Appendix
B



APPENDIX B

NATIONAL INSTITUTE OF GOVERNMENTAL PURCHASING
SURVEY ON TECHNICAL ASSISTANCE ALTERNATIVES

Prepared by

Systems Science Department
Franklin Institute Research Laboratories
Philadelphia, Pennsylvania 19103

August, 1974

OMB No. 41-S740-34
Approval Expires
March 1975

INSTRUCTIONS FOR SURVEY

Purpose of Survey

The purpose of this survey is to determine your preferences, as a member of the National Institute of Governmental Purchasing (NIGP), for various alternative forms of technical assistance that might be made available to you in the future.

Organization of Survey

The survey is organized into the following three groups of questions:

1. General information describing your job and the type and level of purchasing activities conducted by your office.
2. Information about each of seven technical assistance alternatives.
3. Overall comparisons between all of the technical assistance alternatives.

General Instructions

1. There is a box to the right of each question. In each box, enter numbers only - either the code number for a given response or the actual number requested.
2. If any response requires fewer digits than the number of boxes provided, enter the digits to the right and insert a leading zero or zeros in the unused box or boxes. For example, if there are two boxes to the right of a question, and you select the response code "3", enter "03" in the two boxes.
3. Ignore the small numbers printed to the right of the boxes. This information is for the keypunch operators.
4. Answer all questions. If one of the choices given does not exactly express your preference (or experience), select the response which is most nearly accurate.

| | | | | |
|--|--|--|--|---|
| | | | | 1 |
|--|--|--|--|---|

1-5

GENERAL INFORMATION

- percentage of Respondents
- A-1 What is your primary area of involvement in purchasing? *(For questions A-1 through A-7, answer by inserting in the respective box at the right, the appropriate number of your choice of response)*
- 84.6 1. Purchasing Officer - purchasing is your main activity
- 10.8 2. Governmental Official - purchasing is one of many activities
- 4.6 3. Other (describe)_____
- A-2 What are your most important responsibilities?
- 1.5 1. General (e.g. Town Clerk/Selectman/Chairman/Manager/Supervisor...)
- 1.5 2. Operational (e.g. Chief of Police/Police Officer/Fire Chief/Hospital/Administrator/Educational Administrator...)
- 1.5 3. Financial (e.g. Finance Officer/Director of Finance/Comptroller....)
- 23.1 4. Purchasing Management (e.g. Chief. Purchasing Officer/Director of Purchasing/Purchasing Supervisor...)
- 72.4 5. Purchasing Staff (e.g. Purchasing Officer/Purchasing Administrator...)
- A-3 What type of government do you work for?
- 9.2 1. State
- 17.0 2. County
- 53.8 3. City
- 3.1 4. Borough/Township/Village
- 16.9 5. Other (e.g. School Board, Port Authority, etc.).
- Please describe_____

| |
|--|
| |
|--|

6

| |
|--|
| |
|--|

7

| |
|--|
| |
|--|

8

Percentage of
Respondents

A-4 What categories of purchasing are you
directly involved in?

- | | |
|------|-----------------------------|
| 0.0 | 1. Capital |
| 14.3 | 2. Operating |
| 4.8 | 3. Educational |
| 1.5 | 4. Other (describe)_____ |
| 79.4 | 5. Two or more of the above |

A-5 How many employees in your department
are involved in purchasing?

- | | |
|------|------------|
| 3.2 | 1. 1 |
| 29.0 | 2. 2-5 |
| 8.1 | 3. 6-10 |
| 30.7 | 4. 11-20 |
| 9.7 | 5. 21-35 |
| 1.6 | 6. 36-50 |
| 17.7 | 7. Over 50 |

A-6 What is the approximate total of pur-
chases made from your jurisdiction's
operating budget funds each year?

- | | |
|------|---------------------------------|
| 0.0 | 1. Less than \$100,000 |
| 0.0 | 2. \$100,000 to \$299,999 |
| 0.0 | 3. \$300,000 to \$499,999 |
| 24.2 | 4. \$500,000 to \$1,999,999 |
| 9.7 | 5. \$2,000,000 to \$4,999,999 |
| 16.1 | 6. \$5,000,000 to \$9,999,999 |
| 22.6 | 7. \$10,000,000 to \$29,999,999 |
| 27.4 | 8. \$30,000,000 or more. |

Percentage of Respondents

A-7 What is the approximate yearly total of purchases made from your jurisdiction's capital budget each year?

- 1.7 1. Less than \$100,000
- 10.0 2. \$100,000 to \$299,999
- 8.3 3. \$300,000 to \$499,999
- 8.3 4. \$500,000 to \$1,999,999
- 18.3 5. \$2,000,000 to \$4,999,999
- 15.0 6. \$5,000,000 to \$9,999,999
- 20.1 7. \$10,000,000 to \$29,999,999
- 18.3 8. \$30,000,000 or more.

| |
|--|
| |
|--|

 12

A-8 What is the approximate yearly number of purchase contracts executed in your department? (For questions A-8 through A-11 insert the actual number in the respective box at the right.)

Averages

| | | | |
|---|---|---|---|
| 1 | 1 | 0 | 4 |
|---|---|---|---|

 13-16

A-9 What is the approximate total number of purchase categories used in your department?

| | | | |
|--|---|---|---|
| | 3 | 8 | 2 |
|--|---|---|---|

 17-20

A-10 What is the approximate total number of purchase orders processed yearly by your department?

(thousands)

| | | | |
|--|--|---|---|
| | | 1 | 8 |
|--|--|---|---|

 21-24
.5

A-11 What is the approximate average number of responses received for a bid request issued by your department?

| | | | |
|--|--|--|---|
| | | | 5 |
|--|--|--|---|

 25-28

TECHNICAL ASSISTANCE ALTERNATIVES

The following section describes seven possible forms of technical assistance for purchasing. Please answer all questions following the descriptions of each form of assistance by inserting in the respective box at the right, the appropriate number of your choice of response to each of the following.

AUTOMATED INFORMATION SYSTEM: *A computerized data system that would provide on request standards and specifications for products and services, and information on non-standard services. This would be linked directly to your office via telephone operators and/or a teletype terminal at no cost to you.*

| | |
|---------------------------|---|
| B-1 | What would be the most useful form in which you would want to receive the information which you request about products? |
| Percentage of Respondents | |
| 95.4 | 1. Written |
| 2.6 | 2. Oral |
| 2.6 | 3. Other (describe)_____ |

B-2 Descriptions of six different types of product information which might be available through an automated information system are listed below. Which types of product information would be most important to you? Please rank them in terms of their potential importance to you, using "1" for the one you feel would be most valuable or important, and "6" for the least.



| | Percentage of Respondents | | | | | |
|---|---------------------------|------|------|------|------|------|
| | Choices | | | | | |
| | 1 | 2 | 3 | 4 | 5 | 6 |
| - If you gave the name of a specific product, the system would provide you with a <u>detailed description of the product</u> (provided by the manufacturer), including suggested costs, discounts, and the names of firms in your area which sell the product | 10.8 | 20.7 | 53.1 | 7.7 | 1.5 | 6.2 |
| - If you gave the name of a specific product, the system would provide you with <u>detailed descriptions of all competitive or similar products</u> , including a cost/quality comparison if available. | 55.4 | 32.3 | 12.3 | 0.0 | 0.0 | 0.0 |
| - If you gave the name of a type of product, the system would provide you with a <u>list of specific manufacturers</u> which produced the product along with detailed information to help you compare the products. | 25.4 | 35.4 | 25.4 | 13.8 | 0.0 | 0.0 |
| - If you gave the name of a specific product, the system would <u>refer you to other governmental purchasing offices</u> which have purchased that product. You could then get in touch with the other offices for further information. | 4.6 | 1.5 | 10.8 | 20.0 | 26.1 | 35.4 |
| - For certain recurrent product needs (standard order categories), the system would provide you with <u>regular information about the latest developments</u> . | 4.6 | 3.1 | 7.7 | 34.6 | 34.6 | 15.4 |
| - Certain <u>quality-control aspects of products</u> could be retrieved from the system, such as flammability, durability, consistency of material quality, and special maintenance problems. | 6.2 | 4.6 | 7.7 | 21.5 | 26.1 | 33.9 |

B-3 If you had to choose between a system providing information on *capital budget* items vs. *operating budget* items, which would you choose?

Percentage of Respondents

29.2 1. Capital budget items

70.8 2. Operating budget items

36

B-4 If you had to choose between a system providing information on *standard* items vs. *non-standard* items, which would you choose?

63.1 1. Standard items

36.9 2. Non-standard items

37

B-5 Various types of information relating to specifications which an Automated Information System might provide are listed below. What type of specification information would be most important to you? *Please rank them in terms of their potential importance to you, using "1" for the one you feel would be most valuable or important, and "3" for the least.*

- If you gave a product or service category to the system, you would receive, described in plain language, a complete list of specification parameters which you could use in writing your own specifications.

- If you gave a product or service to the system, you would receive a set of standard specifications, completely written. You could then choose the one from this set which matched your specific needs.

- If you gave the system specifications which you had written, the system would provide you with a reasonable cost estimate for the product or service specified.

| Percentage of Respondents | | |
|---------------------------|------|------|
| Choices | | |
| 1 | 2 | 3 |
| 47.7 | 38.5 | 13.8 |
| 56.9 | 32.3 | 10.8 |
| 4.6 | 22.2 | 73.2 |

Percentage of
Respondents

B-6 If you had to choose between a system providing information on *services* or on *products*, which would you choose?

- 9.3 1. Information on services
90.7 2. Information on products

| | |
|--|----|
| | +1 |
|--|----|

B-7 What percent of your inquiries to this system would require immediate replies (same day)? For what percent would replies in a longer time period (e.g. three weeks) be satisfactory? Sum of your estimated percents must equal 100%.

1. Same day
2. Longer

| Averages | | |
|----------|------|---|
| | 4 | 4 |
| | 5 | 6 |
| + | | |
| <hr/> | | |
| | 100% | |

B-8 Are you currently utilizing any type of automated product-service-specification system? Which one(s)?

- 1.5 1. Yes If yes, please list _____
98.5 2. No _____

| | |
|--|----|
| | +6 |
|--|----|

SEMINAR AND TRAINING PROGRAM: A series of

basic, intermediate and advanced seminars and training programs on purchasing. These would be designed for persons with varying levels of experience and training in purchasing and would be conducted at several centers throughout the country. They would take approximately one week each.

C-1 Does your office currently sponsor in-house seminars on purchasing or related subjects?

- 7.7 1. Yes, on a regular basis
35.4 2. Occassionally
56.9 3. Never

| | |
|--|----|
| | +7 |
|--|----|

Percentage of
Respondents

C-2 Does your office currently sponsor an educational aid plan which would pay in full or part for courses which you could take to advance your career?

58.9 1. Yes

41.1 2. No

☐ 48

C-3 If a plan like that described above were offered, do you think your office would provide you with paid leave for one week to attend these seminars?

87.7 1. Yes

12.2 2. No

☐ 49

C-4 Do you think that your office would pay for transportation costs to and from such seminars?

87.7 1. Yes

12.2 2. No

☐ 50

C-5 Would endorsement by either of the following organizations make such courses more attractive to you?

National Institute of Governmental Purchasing

92.3 1. Yes

7.7 2. No.

☐ 51

National Association of State Purchasing Officials

70.9 1. Yes

29.2 2. No

☐ 52

Percentage of
Respondents

- | | |
|------|--------------------------|
| 44.6 | 4. Numbers 1 and 2 |
| 1.5 | 5. Numbers 1 and 3 |
| 26.2 | 6. Numbers 2 and 3 |
| 16.9 | 7. Numbers 1, 2 and 3 |
| 0.0 | 8. Other (explain) _____ |



58

C-10 Would you be in favor of industrial participation in these seminars?

- | | |
|------|--------|
| 76.9 | 1. Yes |
| 23.1 | 2. No |



59

C-11 Would you be in favor of a system of salaries and promotions tied in closely with such a program?

- | | |
|------|--------|
| 65.5 | 1. Yes |
| 34.5 | 2. No |



60

DIRECT TECHNICAL ASSISTANCE: *A service available to your office to assist with particularly difficult technical problems associated with purchasing. Services would include the writing of complex specifications, providing engineering and technical evaluations, as well as the actual purchase of hard-to-get items and services.*

P-1 Does your purchasing office currently contract out any of its technical work such as specification writing, engineering evaluation and testing, etc.?

- | | |
|------|-----------------|
| 43.1 | 1. Yes |
| 53.8 | 2. No |
| 3.1 | 3. I don't know |



61

percentage of
Respondents

D-2 Do you feel that direct technical assistance, as described above, could be adequately performed by mail and telephone (i.e., not in person)?

66.2 1. Yes

33.8 2. No



62

D-3 How many times a year do you think that your office would be in need of such service?

1.5 1. Never

39.5 2. 1-5

26.7 3. 6-10

32.3 4. Over 10



63

D-4 Do you feel that your office would take advantage of direct technical assistance in the following areas *if the service were free of charge? Please answer Yes or No for each alternative by using*

Yes = 1

No = 2

Percentage of Respondents

| | YES | NO |
|--|------|------|
| 1. Writing complex bid specifications | 92.3 | 7.7 |
| 2. Providing engineering and technical evaluations of proposals | 67.7 | 32.3 |
| 3. Purchase of hard-to-get items and services (at relatively low cost) | 61.5 | 38.5 |

D-5 Do you feel that your office would take advantage of direct technical assistance in the following areas *if a nominal fee were charged? Use*

Yes = 1

No = 2

| | | Percentage of Respondents | | | |
|-----|---|---------------------------|---|---|---|
| | | YES | NO | | |
| | 1. Writing complex bid specifications | 47.7 | 52.3 | | |
| | 2. Providing engineering and technical evaluation of proposals | 43.1 | 56.9 | | |
| | 3. Purchase of hard-to-get items and services (at relatively low cost) | 36.9 | 63.1 | | |
| D-6 | Do you feel that your office would sign a service contract at the beginning of each year for direct technical assistance as described above, specifying in general the amount and level of service support which would be required for the coming year? | | | | |
| | 1. Yes | 32.3 | <div style="border: 1px solid black; width: 40px; height: 40px; display: flex; align-items: center; justify-content: center;">70</div> | | |
| | 2. No | 67.7 | | | |
| D-7 | For each of the following areas of technical assistance, what do you think is a reasonable lead time (i.e., the time in weeks between submission of request for technical assistance and delivery of the assistance)? <i>Write in the actual number of weeks for each alternative. (use leading zeros.)</i> | | | | |
| | 1. Writing complex specifications | | <div style="display: flex; align-items: center;"><table style="border-collapse: collapse; text-align: center;"><tr><td style="width: 30px; height: 30px;">0</td><td style="width: 30px; height: 30px;">4</td></tr></table>71-72</div> | 0 | 4 |
| 0 | 4 | | | | |
| | 2. Providing engineering and technical evaluations | | <div style="display: flex; align-items: center;"><table style="border-collapse: collapse; text-align: center;"><tr><td style="width: 30px; height: 30px;">0</td><td style="width: 30px; height: 30px;">3</td></tr></table>73-74</div> | 0 | 3 |
| 0 | 3 | | | | |
| | 3. Purchase of hard-to-get items and services | | <div style="display: flex; align-items: center;"><table style="border-collapse: collapse; text-align: center;"><tr><td style="width: 30px; height: 30px;">0</td><td style="width: 30px; height: 30px;">3</td></tr></table>75-76</div> | 0 | 3 |
| 0 | 3 | | | | |

PURCHASING CONSULTANT SERVICES: *Highly trained government and business consultants would be available to your request to perform such tasks as troubleshooting on specific problem areas or helping to restructure your entire operation.*

Percentage of
Respondents

- . E-1 Has your office, within the last five years, brought in outside consultants to assist in any aspects of purchasing activities?

26.2 1. Yes

73.8 2. No

☐ 77

- E-2 How much would your office be willing to pay for the use of such services?

61.5 1. Would use them only if they were free of charge

38.5 2. Would be willing to pay competitive rates

☐ 78

- E-3 On what basis do you feel this service would be utilized by your office?

32.3 1. One-shot basis

63.1 2. From time to time

3.1 3. Regularly (once a month)

1.5 4. Quite Frequently (more than once a month)

☐ 79

(Key for question F-1)

PUBLICATIONS CODES

If any of the four publications which you rely on most for information on purchasing is not listed below, please write their names in the spaces provided at the bottom of the page.

- | | |
|--|---|
| 1. American City of Magazine | 21. NAPM Newsletter |
| 2. American County Government | 22. NCMA Newsletter |
| 3. APWA Reporter | 23. New Product News |
| 4. Better Roads | 24. NIGP Newsletter |
| 5. Consumer Reports | 25. Police Chief |
| 6. (*) County and Township Official | 26. Public Works |
| 7. County Government Official | 27. Publication of the Asphalt Institute |
| 8. District Purchaser | 28. Purchasing |
| 9. Fire Engineering | 29. Purchasing Management |
| 10. Fire Command | 30. Purchasing Week |
| 11. From the State Capitols Publications | 31. Purchaser |
| 12. (*) Government | 32. (*) Purchaser |
| 13. Government Product-News | 33. (*) Road Builder |
| 14. (*) Government Review | 34. (*) State Employee |
| 15. (*) Highway | 35. (*) State Government |
| 16. ICMA Publications | 36. Streets |
| 17. Journal of Purchasing | 37. Streets and Roads |
| 18. Mayor | 38. United States Municipal News |
| 19. Modern Government | 39. (*) Water Works Association Journal |
| 20. (*) Municipalities | 40. Willing Water |

OTHERS (not listed above):

41. _____
42. _____
43. _____
44. _____

(*) Indicates the name of the publications of your state, city or regional chapter or organization.

F-2 How would you rate the NIGP Newsletter along the following dimensions? *Please use the following code for each dimension:*

- 1 = Very Good
- 2 = About Average
- 3 = Poor
- 4 = No Opinion

- Format and Readability
- Use of Pictures and Diagrams
- Indexing
- Level of Technical Detail
- Frequency of Publication

| Percentage of Respondents | | | | |
|---------------------------|------|------|------|--|
| Choices | | | | |
| 1 | 2 | 3 | 4 | |
| 47.0 | 36.0 | 10.0 | 7.0 | |
| 4.0 | 24.0 | 59.0 | 13.0 | |
| 7.0 | 45.0 | 33.0 | 15.0 | |
| 18.0 | 55.0 | 20.0 | 7.0 | |
| 11.0 | 38.0 | 42.0 | 9.0 | |

F-3 How well do you feel that existing publications fill your needs in each of the following areas? *Use the following code for each area:*

- 1 = Poorly
- 2 = Adequate
- 3 = Well

- Description of new products
- Discussions of legal aspects of purchasing
- Feature articles on unique or outstanding purchasing offices
- New techniques in purchasing
- Specification writing pointers
- Improving relations with vendors

| Percentage of Respondents | | | |
|---------------------------|------|------|--|
| Choices | | | |
| 1 | 2 | 3 | |
| 15.0 | 64.0 | 21.0 | |
| 65.0 | 27.0 | 8.0 | |
| 42.0 | 42.0 | 16.0 | |
| 52.0 | 38.0 | 10.0 | |
| 68.0 | 25.0 | 7.0 | |
| 37.0 | 52.0 | 11.0 | |

F-4 Would you be interested in writing features for such a newsletter?
 Percentage of respondents

- 49.0 1. Yes
- 51.0 2. No



E-4 How important do you think the following skills (disciplines) would be for the consultants?

Please use the following code for each discipline:

- 1 = Very Important
- 2 = Could be Helpful
- 3 = Not Necessary

| | | | | |
|--|--|--|--|---|
| | | | | 2 |
|--|--|--|--|---|

1-5

| | Percentage of Respondents | | |
|----------------------------|---------------------------|------|------|
| | Choices | | |
| | 1 | 2 | 3 |
| Engineering | 48.0 | 44.0 | 8.0 |
| Management | 66.0 | 32.0 | 2.0 |
| Accounting | 32.0 | 44.0 | 24.0 |
| Public Relations | 10.0 | 55.0 | 35.0 |
| Organizational Development | 35.0 | 48.0 | 17.0 |
| Marketing & Sales | 27.0 | 38.0 | 35.0 |
| Other (describe) | 0.0 | 0.0 | 0.0 |

TECHNICAL ASSISTANCE MAGAZINE: A publication providing the latest product and service information available as well as articles on sources of technical and financial assistance for purchasing activities.

F-1 Which of the publications listed on the opposite page of this questionnaire do you rely on for information concerning purchasing activities? Place the number for each of the four most important publications in the order of their importance in the boxes to the right:

Ranking of
Most Frequent Responses

| | | | |
|----|---|---|-------|
| 1. | 2 | 4 | 13-14 |
| 2. | 1 | 3 | 15-16 |
| 3. | 1 | 7 | 17-18 |
| 4. | 2 | 8 | 19-20 |

- Non institutional advertisements for product/service requirements in newspapers or specialized publications.
- Phone calls to prospective bidders
- Personal contact with prospective bidders

| Percentage of Respondents | | |
|---------------------------|------|------|
| Choices | | |
| 1 | 2 | 3 |
| 77.0 | 17.0 | 6.0 |
| 55.0 | 34.0 | 11.0 |
| 37.0 | 43.0 | 20.0 |

percentage of Respondents

G-3 How much would your office be willing to pay for industry-oriented programs?

92.0 1. Would pay only a nominal fee

8.0 2. Would pay competitive rates?
(Approximately equal to the rates of a public relations firm)

☐

G-4 If such programs resulted in a sizeable increase in the number of bids which you receive (e.g., 30% increase), what would your reaction be?

68.0 1. This would be highly desirable

32.0 2. This would be somewhat desirable

0.0 3. This would be undesirable

0.0 4. Not sure; Other (explain) _____

☐

G-5 In which area do you believe that improved relations with private industry would be more important?

76.0 1. Purchases from operating budget

24.0 2. Purchases from the capital budget

☐

G-6 Does your office currently have a brochure which could be used in such a program to improve your relations with industry?

Percentage of
Respondents

F-5 If a new publication were to become available, would you prefer it to be...*Indicate the alternative preferred for each.*

| | | | |
|------|--|--------------------------|----|
| 57.0 | 1. Technically oriented, or | <input type="checkbox"/> | 38 |
| 43.0 | 2. Non-technically oriented | | |
| 71.0 | 1. Narrow focus (Government purchasing), or | <input type="checkbox"/> | 39 |
| 29.0 | 2. Broad focus (Government, Commercial, Communications, Finance, and Management) | | |
| 11.0 | 1. Single topic issues, or | <input type="checkbox"/> | 40 |
| 89.0 | 2. Multi-topic issues | | |

INDUSTRY-ORIENTED PROGRAMS: *Programs that would be designed to direct industry's attention to the market needs of state and local governments. This could take the form of a federal or state office that would publicize your specific requirements plus the potential advantages of doing business with your office in similar cases.*

G-1 In your office is there currently any individual whose primary responsibility is to publicize purchase requests?

| | | | |
|------|--------|--------------------------|----|
| 36.0 | 1. Yes | <input type="checkbox"/> | 41 |
| 64.0 | 2. No | | |

G-2 What are the primary methods which your office uses to publicize bid request? *Use the following code for each method:*

- 1 = Use Frequently
- 2 = Use Occasionally
- 3 = Rarely or Never Use

Percentage of
Respondents

H-3 How much would your office be
willing to pay for this kind
of service?

- 78.0 1. Would pay only a nominal fee
- 11.0 2. Would pay competitive rates
- 11.0 3. Would cost share

☐

52

H-4 Do you think that it would be worth-
while for the government to sponsor
a pilot project, implementing such
model systems in various purchasing
offices around the country?

- 91.0 1. Yes
- 9.0 2. No

☐

53

H-5 Would you want your own office to
participate in such a pilot project?

- 75.0 1. Yes
- 25.0 2. No

☐

54

H-6 In developing model purchasing office
procedures and departmental organiza-
tion, how important do you feel that
these areas are? *Please use the fol-
lowing code for each area:*

- 1 = Completely unimportant
- 2 = Only slightly important
- 3 = Moderately important
- 4 = Very important

Please See Next Page for Response

Percentage of
Respondents

27.0 1. Yes

73.0 2. No

☐

48

G-7 Which type of program would you consider most valuable?

89.0 1. Information campaign, including articles about specific governmental needs, aimed at the media, as well as appropriate industry trade publications

☐

49

3.0 2. Person-to-person campaign

9.0 3. Mailings

MODEL PURCHASING FORMS, PROCEDURES AND
DEPARTMENTAL ORGANIZATION:

A government-provided package that would contain recommended forms, guidelines, and organizational structure for a model local purchasing office. These would be designed to meet the needs of offices of differing sizes and range of activities.

H-1 Do you feel that your own work would benefit from a carefully developed system of purchasing forms, organized along the lines described above?

74.0 1. Yes

26.0 2. No

☐

50

H-2 Do you feel that your departmental organization in general could be aided by such a service?

79.0 1. Yes

21.0 2. No

☐

51

OVERALL COMPARISONS

To assist you in answering the last questions (on following page), a description of each form of service to assist the purchasing practitioners and their operations is provided below.

1. *Automated Information System:* A computerized system that would provide on request data on standards and specifications for products and services, and information on non-standard services. This would be linked directly to your office via telephone operators and/or a teletype terminal at no cost to you.
2. *Seminar and Training Program:* A series of basic, intermediate and advanced seminars and training programs on purchasing. These would be designed for persons with varying levels of experience and training in purchasing and would be conducted at several centers throughout the country. They would take approximately one week each.
3. *Direct Technical Assistance:* A service available to your office to assist with particularly difficult technical problems associated with purchasing. Services would include the writing of complex specifications, providing engineering and technical evaluations, as well as the actual purchase of hard-to-get items and services.
4. *Purchasing Consultant Services:* Highly trained government and business consultants would be available at your request to perform such tasks as troubleshooting on specific problem areas or helping to restructure your entire operation.
4. *Technical Assistance Magazine:* A publication providing the latest product and service information available as well as articles on sources of technical and financial assistance for purchasing activities.
6. *Industry-Oriented Programs:* Programs that would be designed to direct industry's attention to the market needs of state and local governments. This could take the form of a federal or state office that would publicize your specific requirements plus the potential advantages of doing business with your office in similar cases.
7. *Model Purchasing Forms, Procedures and Departmental Organization:* A government-provided package that would contain recommended forms, guidelines, and organizational structure for a model local purchasing office. These would be designed to meet the needs of offices of differing sizes and range of activities.

Response to H-6 - p.19

- 1 = Completely unimportant
- 2 = Only slightly important
- 3 = Moderately important
- 4 = Very important

| | Percentage of Respondents | | | |
|---|---------------------------|------|------|------|
| | Choices | | | |
| | 1 | 2 | 3 | 4 |
| - The physical layout of the department | 6.0 | 3.0 | 59.0 | 32.0 |
| - Standards of performance in purchasing | 2.0 | 3.0 | 36.0 | 59.0 |
| - Procedures for writing specifications, advertisements for bids, contracts, etc. | 0.0 | 2.0 | 30.0 | 68.0 |
| - Model enabling legislation to allow for changes in purchasing operation | 0.0 | 11.0 | 27.0 | 62.0 |
| - The organizational relationship and communication between operating departments and the purchasing department | 0.0 | 2.0 | 12.0 | 86.0 |
| - Salaries and other incentive systems | 3.0 | 24.0 | 30.0 | 43.0 |
| - Communication between members of the purchasing department | 3.0 | 9.0 | 25.0 | 63.0 |

I-2 Do you feel that this service would be beneficial to the purchasing profession?

- 1 = Would be of no benefit whatsoever
- 2 = Could be beneficial, but it's difficult to be sure
- 3 = Would definitely be beneficial
- 4 = Would be highly beneficial

- Automated Information System
- Seminar and Training Program
- Direct Technical Assistance
- Purchasing Consultant Services
- Technical Assistance Magazine
- Industry-Oriented Programs
- Model Purchasing Forms, Procedures and Departmental Organization

| Percentage of Respondents | | | |
|---------------------------|------|------|------|
| Choices | | | |
| 1 | 2 | 3 | 4 |
| 0.0 | 17.0 | 31.0 | 52.0 |
| 0.0 | 20.0 | 35.0 | 45.0 |
| 0.0 | 37.0 | 45.0 | 18.0 |
| 8.0 | 44.0 | 37.0 | 9.0 |
| 2.0 | 37.0 | 35.0 | 26.0 |
| 8.0 | 43.0 | 37.0 | 12.0 |
| 2.0 | 28.0 | 35.0 | 35.0 |

For questions I-1 and I-2 below, please give your reactions to each of the seven service alternatives (described on the preceeding page) by inserting in the respective box at the right, the appropriate number of your choice of response.

I-1 *Would you personally like to be able to make use of this service?*

- 1 = No desire whatsoever for this service
- 2 = Some interest; service might be worth a try
- 3 = Would favor implementation of this service
- 4 = Strong desire for implementation of this service

- Automated Information System

- Seminar and Training Program

- Direct Technical Assistance

- Purchasing Consultant Services

- Technical Assistance Magazine

- Industry-Oriented Programs

- Model Purchasing Forms, Procedures and Departmental Organization

| Percentage of Respondents | | | |
|---------------------------|------|------|------|
| Choices | | | |
| 1 | 2 | 3 | 4 |
| 2.0 | 17.0 | 44.0 | 37.0 |
| 0.0 | 25.0 | 40.0 | 35.0 |
| 3.0 | 49.0 | 35.0 | 13.0 |
| 18.0 | 48.0 | 30.0 | 4.0 |
| 3.0 | 39.0 | 38.0 | 20.0 |
| 49.0 | 20.0 | 20.0 | 11.0 |
| 9.0 | 28.0 | 38.0 | 25.0 |

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